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West Europe Report



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13 December 1984

WEST EUROPE REPORT

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CERES PROPOSES MODERNIZING SCHOOLS, BUSINESS, GOVERNMENT

Paris LIBERATION in French 15 Nov 84 p 9

[Article by Gilles Bresson and Sophie Gherardi: "PS Convention: CERES Launches Debate With Equation $M=3R+3D$ "]

[Text] Before the Socialist Convention on Modernization, Didier Motchane is submitting for CERES a text in which he advocates "modernizing France and not capitalism in France"; he proposes three main lines of renovation and democratization.

It has the smell of a contribution, it has the form of a contribution, but it is not a contribution. To sum up: in publishing this text: "voluntarily incomplete, but rigorous in its structure," according to Didier Motchane, who drafted it, CERES [Center for (Socialist) Studies, Research and Education] does not insist on its being submitted to a vote by party members. If it keeps pending the one finalized by the commission in charge of setting up the national convention on modernization (where all trends are represented), it is in order to permit "only the opening of the discussion." Nothing more. CERES thus asks for its circulation by party organs. Let the PS [Socialist Party] leadership refuse--the question was to be decided yesterday at the Executive Board--and it will bring the debate before the convention by raising the question of its internal operation. "The procedure used should not be that of a congress," Didier Motchane explains. "If that were the case, then it would be necessary to make motions from the beginning."

He acknowledges that the text submitted by the commission has "been rather well modified, generally in the right direction"; he considers, however, that "it lacks clarity in the hierarchy of ideas. In it, the priorities are not clearly seen, and it is not politicized enough. For example, the description of the social forces is very vague. It should be improved." And he adds: "This type of exercise is good for the end of the course, but not before."

Modernization? Go for modernization. But not for just any kind. From the beginning, the CERES text argues for alternatives: "Modernizing is never, except in appearance, a technocratic choice. It is a political one. Thus, even if there is only one future, there are always (at least) two possible modernizations. Ours is not a socialist translation of the invisible hand,

that is to say, of liberalism. There are, however, even on the Left, people who misunderstand this." If modernization is a political choice, the Left should not make a mistake about the nature of this choice: "The task of the Left is to modernize the country, not the system. The direction of the socialist commitment and plan is to modernize France and not capitalism in France." Here, dealt with in a nimble ideological locking mechanism, is the "neoliberal" tendency of some socialist modernizers.

In order to explain under what international framework the current situation in France falls, CERES paints a genuine "world vision." A world that is not bipolar (East-West), but unipolar, with some counterweights (the United States and the others: the Soviet Union, China, the Third World). "In the economic field as in that of cultivation, a global superpower exists, and only one: the United States...Because it holds abroad a monopoly of the only world reserve currency, American capitalism has a growing part of its industrial and military power as well as its own investments abroad financed by the savings of others. Finally, it controls the world production and exchange network of the cultural, information and agrofood product industries...American imperialism is not the achievement of an intrigue. It is a mechanism that compels recognition."

In the face of this situation, the French right has shown itself particularly useless, if we must believe the authors, favoring a purely financial approach "with regard to the industrial point of view in the management of French capitalism." "The crisis has revealed the worsening contradictions between the employers' social conservatism and France's industrial interests."

The Left's big blunder, in 1981, was not having measured to what extent the right had been wrong. "If the Left in power sinned against realism, it is basically by refusing to give itself further means to control France's integration in the world market, that is, by taking, in time, appropriate measures for avoiding in the end, in actual fact, and not only at the rhetorical level, being trapped in a dilemma: alignment or isolation." In other words, the formerly famous confrontation rigor "another policy." [as published] The role of the Left is thus to modernize France, while the Right has worn itself out for 30 years modernizing the system "against France and the workers."

After the diagnosis, the document goes to the prescription. "Taking the means of modernizing France is giving it as of now more democracy and solidarity, more growth and more of Europe. The tradition of the Left is to make social laws. "In this respect, even if it is good to praise the contractual economy, it would be dangerous to allow the Right to make the contractual a war machine against the legislative." Everything is not negotiable even in times of crisis. A slap in the face for "those who want to loosen up" (conditions for hiring and dismissal, implementation of social rights in small businesses, etc...).

No more growth? The document does not grow heavy on this question, merely affirming that "growth is not a sufficient means for providing employment, but a condition without which neither today's unemployment nor tomorrow's de-industrialization will be conquered."

CERES sums up in a striking mathematical formula the directions to be taken: $M=3R+3D$. To put it plainly: modernization equals 3 big renovations (government, schools and business) plus 3 D's (democratization, decompartmentalization, social dialog). Open the windows and air all this out for me, CERES seems to be saying. Let everyone be in contact with everyone (schools with businesses, businesses among themselves, workers with directors--with unions intervening, it is understood--citizens with the government, the young with the old, etc...).

"It is clear that such a program involves the whole country and not only some of its groups. For all that, the rally does not answer present to its invocation alone. But it is easy to understand that the rally has a chance to exist only if anchored to the Left, at the social levels that have the greatest interest in democratization, decompartmentalization, social dialog and the renewal of structures."

Against the "dual society" and the global normalization which modernization "on the Right" involves, we must play social "integration" backed up by a system that has been tried and tested. Which one? That of "democratic values: responsibility, equality, liberty, work, knowledge, historic memory, solidarity."

Solidity and audacity, these are what we need, CERES thus proclaims, with the detachment of people who do not govern.

9434

CSO: 3519/112

GERMAN NEWSPAPER REPORTS ON USSR'S ALLEGED PRO-PASOK TACTICS

Athens AKROPOLIS in Greek 9 Oct 84 pp 1, 6

[Excerpt] The government representative has admitted in essence that at times the Soviet side is deliberately applauding [sic: probably a misprint for the verb meaning "criticizing"] Papandreou in order to make it easier for him to confront the charges that he is following a policy which favors Moscow.

These Soviet tactics were revealed by the reliable German newspaper DIE WELT AM SONNTAG in its Sunday issue, where it made known that: The chief of the press office at the Greek embassy in Moscow, Kharitatou, sent a letter to her superiors in Athens in which she states that sometimes PRAVDA deliberately publishes critical comments about the situation in Greece, in order to counter the charge that Papandreou and PASOK have links with the KKE and, consequently, with the Soviet Union.

In an exclusive, the AKROPOLIS TIS KYRIAKIS republished the material which was published in the German newspaper.

In addition, yesterday the new Soviet ambassador Andropov arrived in Athens, as is discussed in more detail below.

As for the letter by Kharitatou, upon being questioned about it the representative did not give any substantive answer, but confined himself to saying that it involves "trifling matters."

The German newspaper wrote also that the acting managing editor of PRAVDA, Evgenios (Gringoriev), had spoken to Kharitatou about these deliberate Soviet tactics. (Gringoriev) had come to Athens 15 days prior to this in order to take part in the anniversary ceremony marking the 10 years since the legal reissuing of the RIZOSPASTIS in 1974. And Kharitatou had previously visited him at his office in Moscow, in order to protest against the criticisms which PRAVDA was publishing occasionally concerning Papandreou.

It follows from the substantial confirmation of the existence of the letter by the government representative and from his effort to downplay its contents that the government will not pursue this issue further and that it has been more or less satisfied with the Soviet explanations concerning the criticisms in PRAVDA for reasons of expediency.

ANALYSIS OF TSOKHATZOPOULOS' NEW POSITION OF INFLUENCE

Gennimatas-Laliotis Influence Seen Overtaken

Athens AKROPOLIS TIS KYRIAKIS in Greek 30 Sep 84 pp 5, 16

[Excerpts] The appointment of Akis Tsokhatzopoulos as minister attached to the premier--that is, to a position which had been abolished after the dictatorship--has understandably raised a question: Is this a promotion or a demotion? Is this the upgrading of Tsokhatzopoulos, with his assuming the duties of super-coordinator of the government's work, examiner of the ministers' fellow workers, and intermediary "agent" between the premier and the ministers?

Or is this his downgrading, with his assignment to an informal post, without any specific job, and with duties and areas of jurisdiction which the premier will transfer to him each time--that is, something like a dutiful forwarding agent for Papandreou's orders?

PASOK officers have stressed categorically to the AKROPOLIS that they have no doubt that what we are seeing is the upgrading of Tsokhatzopoulos. And that this is not all, but that what is being done is also to confirm that "splendid Akis" is the "number-two man" in the "movement."

In this connection the same officers have observed that the assigning of Tsokhatzopoulos to the post of minister attached to the premier was accompanied by the appointment of Dim. Sapoundzis as deputy minister of the interior, a man with whom the former minister of public works maintains excellent relations. At the same time, early last week--only three days before the reshuffling of the government, during the reorganizing of the 18 PASOK advisory committees--loyal associates of Tsokhatzopoulos were named as general secretaries in three of the most important of these committees. Moreover, another officer who is considered to have particularly "friendly" relations with him was appointed to a fourth party committee of similarly great importance.

Confidence

According to reports, Sapoundzis, a deputy from Evvoia, has cultivated his relations with Tsokhatzopoulos in recent days, when he was secretary of the PASOK Parliamentary Group. Generally speaking he is regarded as a person

who enjoys the confidence of "Kastri." The appointing of Sapoundzis as a minister is indicative of the extent to which the Ministry of the Interior will have to perform very important work in an administration which is, essentially, in an election period, and in fact with unsettled matters to deal with such as that of the electoral law.

On the other hand, it is a characteristic fact that despite the smallness of his group of supporters in the PASOK Central Committee and in the party machinery more generally, Tsokhatzopoulos has managed to place his own people in three of the 18 posts of general secretary in the advisory committees (Sotirlis, Geitonas, and Xarlis) and one sympathizer (Papoulias), even though the makeup of forces in these committees is clearly in favor of the Gennimatas-Laliotis "pair." Thus he will be able to play a substantive role in the new informal party organ which will be created by the 18 general secretaries and which will in essence take over the election campaign.

In connection with this subject, officers of PASOK added the following:

Given that elections will be held within a year at the latest, the advisory party committees involved with organization, information, finances, international relations, and mobilizations and activities are taking on a special importance. People have been appointed to the committees on information and mobilizations and activities who enjoy the absolute confidence of Papandreou (his son, Giorgos, and Koulouris respectively).

Appointed to the organizational committee was Dim. Sotirlis, known from his term of office as chairman of the "socialized" outfit PYRKAL [expansion unknown], with his responsibilities including the supervision of the party organizations. Mr Sotirlis, a former officer of the Center Union, worked and studied in West Germany (in Hannover) before and during the period of the dictatorship. There he became acquainted with his fellow student, Tsokhatzopoulos. Their friendship was sealed with the assuming of leadership positions in PAK [Panhellenic Liberation Movement]. Sotirlis has been a member in PASOK since its founding, and he became the secretary of the West Germany local organization. He returned to Greece in 1975. He took charge of the foreign-country organizations, became secretary of the Committee for Greeks Living Abroad, was elected a member of the Central Committee, and was appointed to the 10-member Executive Secretariat, with organizational duties. He is regarded as the "right-hand man" of Akis.

Not a Member of the "German Circle"

The secretary of the finance committee, K. Geitonas, who has kept his party post, was associated closely with Tsokhatzopoulos when they worked together at the Ministry of Public Works (he is the general secretary of this ministry). Although Geitonas does not belong to the "German circle," he is regarded as a person who has the absolute confidence of Tsokhatzopoulos. The importance of the finance committee for a party, especially in an election-campaign period, is easy to understand.

The alternate minister of foreign affairs, Kar. Papoulias, who has remained secretary of the committee on international relations, is considered to share the views of Margaret Papandreu, notwithstanding his close relations with countries and movements of the third and fourth worlds. Nevertheless he is also associated closely with Tsokhatzopoulos, whom he worked with in West Germany during the period of the dictatorship. Surely there is no need for an analysis of the usefulness of contacts with "kindred" parties and movements in foreign countries prior to elections.

The committee on Greeks living abroad has no particular significance in this period, especially since it is considered likely that the emigrants will not be voting in the elections because, it is asserted, there are constitutional obstacles relating to this. Nevertheless Tsokhatzopoulos derives whatever influence he has within the party precisely from the emigrants, and especially from the Greek labor element in West Germany and neighboring countries. In any case, his personal group within the party is called "the Germans," not by opponents but by those within the party itself, because they consist essentially of people who were associates of Tsokhatzopoulos in West Germany during the dictatorship, a country in which of course, even today their younger colleagues remain. Thus the appointment of G. Xarlis, one of Akis' men and an officer in West German unions, as general secretary of the committee on Greeks living abroad is regarded as a "natural" thing.

But what PASOK officers are pointing out is that the assigning of so many of Tsokhatzopoulos' people to "key positions" does not correspond to his inner-party influence. As is said, Tsokhatzopoulos has only five men who are "strictly" his own in the 140-membered Central Committee and as many again who are considered to be "good friends and close associates" of his. And it is even being asserted that within PASOK the "Germans" are not a group with a clear ideological character and composition, but a circle of people which bases its interests on the personal advancement of Tsokhatzopoulos in the party.

According to reliable reports, the appointment of Tsokhatzopoulos as minister attached to the premier has given rise to very sharp disagreements within PASOK, as reactions develop from all the other groups ("centrists," "moderates" and dogmatic Marxists, "third-worlders") and their "offshoots." In any case, the culmination of these reactions was the mass departure of deputies belonging to the government party prior to the passage of the bill which instituted the above position.

It seems that the minister attached to the premier is unhesitatingly following the path which was charted by Papandreu. It is a fact that the more the other officers and the party's rank and file offer opposition, the more Papandreu promotes him, at the risk of causing powerful jolts within PASOK. The reason for this is perhaps, as an officer of the "movement" confided to us with a considerable dose of malice, that Tsokhatzopoulos accepts uncomplainingly the sharp criticisms from the rank and file, which otherwise would turn against the chairman!

Alevras, Tsokhatzopoulos Contrasted

Athens POLITIKA THEMATA in Greek 24 Oct 84 pp 26-27

[Text] The appointment of Tsokhatzopoulos as "minister attached to the premier" is an event of exceptional significance.

The second-ranking man in terms of having power in the party is now assuming the job of assistant to the premier.

But the concentrating of political influence and party strength in the hands of the so-called "troika" which is now being seen is worrying many party officers of PASOK as well as other political observers.

The coinciding in the same person of organizational responsibility in conjunction with a broader governmental responsibility is a dangerous principle. And it will be even more dangerous if supervision over the KYP [Central Intelligence Service] is also entrusted to the minister attached to the premier.

The following commentary is in reference to these concerns:

The Troika Moves Forward

However much it may seem to be a choice freely made by the premier, the promoting of Akis Tsokhatzopoulos within the party and in the government is, on the contrary--according to certain observers--a matter of Papandreou yielding to the dynamic processes of the party. It was not so much that Andreas Papandreou chose his associate as it was that this man was imposed on him by the party machinery. And this constitutes a new factor which must be analyzed carefully.

Now the chairman of PASOK is more restricted than before. Because he was forced to bring the party commissar into his inner circle, and it is not impossible that at some stage the chairman of PASOK will find himself in an even more difficult position....

This party machinery which he created has its evident and its hidden mechanisms. And the latter are fully controlled and directed by the small group which began as a secretariat for the executive branch and which then very gradually transformed itself into a troika, camarilla, or party fractional group and cabal.

Today this may perhaps be or seem to be an extravagant statement still, but persons who are aware of the situation do not exclude it as a possible future scenario.

However much he remains the unchallenged and "charismatic" leader of PASOK, it is certain that nowadays Andreas Papandreou does not have his former authority. If this descending course were to continue, with some parallel...[line missing in text]...which creates inner-party counter-

actions and problems, so much the more will PASOK's troika take over command jurisdictions and assume leadership functions.

Today, the presence of this second-in-command is very visible--and this is happening for the first time--with this person having the backing of basic keystones of the party machinery, however discrete this may be.

In fact we can speak about two spokesmen, one for party legitimacy, Giannis Alevras, and the other for the party machinery, Akis Tsokhatzopoulos. Let us look more closely at the two bigwigs of PASOK.

Giannis Alevras, such a spokesman above all because of his position, has been a long-standing, faithful, successful, and personal friend and colleague of the premier since the period of the "conventicle" of the Center Union in 1965. But ever since I. Alevras became president of the Chamber of Deputies, his position and his duties have been calling on him to take nonpartisan approaches to issues. And whereas he has not stopped devoting himself to his party, he has succeeded in getting recognition for his efforts from all the factions, not only with his mediations in the sessions of this body but also with his administrative work in parliament. In contrast to the disputatious Giannis Alevras of the period when PASOK was in the official opposition, when he was its parliamentary representative, today he is appreciated by all the factions for his work.

But this element of general recognition which he enjoys plus his amiability has brought him close, without he himself seeking this, to all the malcontents in PASOK's Parliamentary Group and to certain public figures in this movement, who confide their worries to him. But at the same time he has attracted the suspicion of party hardliners, who see his person to be a dangerous rallying point in case they were to decide on an inner-party ideological coup.

Akis Tsokhatzopoulos. Unknown to political circles until a short time before the elections of October 1981, he has appeared since then at all the party's events, sitting next to and on the left of the chairman of the movement. It is said that he is the most uncompromising supporter of the plan for a socialist transformation and that he maintains excellent personal relations with officers of the KKE. Coming from the new guard of the PASOK elite--a member of the Resistance and of PAK in West Germany--he constantly has around him the "hardliners" of the movement, despite the fact that he himself came in seventh in the election of the Executive Office members.

The new government shakeup moved him from the Ministry of Public Works, where he had been for 3 years, and brought him to the--controversial still--position of "minister attached to the premier." Does this entail an advance, or a neutralization? Certain newspapers have argued that clearly this has been a lowering of the stature of Tsokhatzopoulos, who now will be waiting not only for the legislative determination of his new areas of jurisdiction, but also for the transfer of responsibilities from the premier.

The truth in this matter--it is argued--is that the promotion of Tsokhatzopoulos (first of all in the party mechanisms and now in those of the government) constitutes a long-term threat to the functioning of democratic institutions. A threat which could extend as far as an attempt to forcefully impose a single-party state, either if the socialist regime loses the elections or if it faces insuperable difficulties in applying its policies.

There is a group of "forceful persons" within PASOK who, after unexpectedly and suddenly occupying administrative posts in the State machinery and tasting the power of authority, are not inclined now to surrender this power in the name of democratic procedures. These people have gone from being nobodies to being somebodies. They will not just let this terrific transformation slip away. The "gains of the people" will not be allowed to be jeopardized--even the "chairman" said this. No more turning back!

It is not yet known if and to what extent the plan for the promotion of Tsokhatzopoulos is the result of the will of the premier or a dynamic requirement of the movement's machinery.

It is certain that this upgrading by conferring a kind of legitimacy on a deputy premiership post, however informal it may be, has worried other governmental officers, but they are cut off from the party "faction" which forcefully controls PASOK. For this reason also, the appointment of Tsokhatzopoulos has not taken on the character of a striking inner-governmental action, but on the contrary an effort has been made to downplay this.

Perhaps all these things are hasty assessments, given the hazy and still uncertain position of Akis Tsokhatzopoulos in the government.

The very near future, and above all the extent to which there will occur a transferring of the premier's areas of jurisdiction to the new minister--the transfer to him, for example, of the KYP, his participation in the supreme governmental organs KYSEA [Government Council for Foreign Affairs and Defense]-KYSYM [expansion unknown], and how much he represents the premier or is assigned to missions of vital importance--will show the degree of responsibility borne by the minister attached to the premier. A responsibility which may still be obscure right now, but which at some point may become a great deal more substantial than we may imagine.

12114
CSO: 3521/32

INTERNECINE RIVALRIES REPORTED WITHIN ND'S ONNED

Athens TO VIMA in Greek 30 Sep 84 p 4

[Article by Il. Theofylaktou]

[Excerpts] The explosion which everybody (for some time now...) has been waiting for on Nikitara Street has happened--in a concealed way, to be sure, but...there is nothing secret under the sun....A stormy session of the ONNED [Youth Organization of the New Democracy] Executive Committee, which began at 1700 hours last Wednesday and ended at 500 hours at dawn on Thursday (!) brought to the surface all the things which (for some time now...) have been hatched up underground. On the agenda of this "conclave" only one topic was written: The "ONNED '84 Festival." But scarcely had the doors of the "sanctuary room" closed and the "ten" had taken their seats around the table when the fury of the leader burst out: Quite unexpectedly, the chairman of this rightist youth group, Vasilis Mikhaloliakos, launched his thunderbolts: Raging, in a very sharp tone and manner, he delivered a bitter accusation against the "subversives": Three members of the Executive Committee, Giorgos Anagnostakos and Khristos Ladias (directly and by name) and Paskhalis Boukhoris ("by reflection", as the "chief officer" of Anagnostakos) were stigmatized, condemned, annihilatingly pummeled, were delivered over to public ridicule....

"For a long time now you have been subverting the unity of our youth group. You have been factionalists and advocates of a different course," said Mikhaloliakos. "Those are your own tactics," answered Anagnostakos, returning tit for tat.

There was a thunderous announcement in store at the finale of the speech by Mikhaloliakos: "This is the last session of the Executive Committee in its present composition," said the leader. And he added eloquently, addressing himself to those already "branded as renegades": "As far as I am concerned, this behavior on your part will carry weight in the selection process...."

The fighting ended with an interjection by Anagnostakos, who proposed with disarming calmness "that we discuss the issue at the end of the session." Of course the issue was not examined at dawn....But the impressions which had been created remained: The leadership authority of Mikhaloliakos had

been eroded irreparably. No longer is there enough room for him and "his heretical student group" under the same roof....

During those hours, the most important event took place two floors below the meeting hall of the Executive Committee: In the offices of the student group, where officers loyal to Anagnostakos, led by Argyris Oikonomou, had gathered and followed developments, ready to...defend the "innovative leader" who is at their head.

The "third road" for ONNED was called "general consensus." This involves a plan which is being given the blessings of Giannis Boutsos and Kostis Stefanopoulos and the approval in principle of K. Mitsotakis.

The "plan" provides: That the post of president of ONNED will be assumed by Panagiotis Gennimatas, a lawyer, 36 years old, who had been an adviser to Georgios Rallis and is a close associate of G. Boutsos, who also is warmly supporting this "solution."

The members of the Executive Committee will be all the "innovative" group leaders--or "phylarchs," according to the party argot--each one with his own "adjutant":

Andreas Lykouratzos, the "top-ranking" Stefanopoulos supporter, together with Petros Arvanitis.

Nikos Khatzinikolaou (if he is not used in another party post), seconded by Frangiskos Armas.

Giorgos Anagnostakos with his "always faithful" Paskhalis Boukhoris (these two will remain from the present Executive Committee, and perhaps also either Argyris Oikonomou or Stefanos Tsourvakis, also "his own man"). A third "hanger-on" from the present Executive Committee is Vaios Stathopoulos, who is upgrading, finally, his holdings.

Further candidates are Nikos Giannis (who moves within the circle of Dionysis Zakynthinos) and Khristos Khatzemanouil (who is reputed to be "a warm adherent of Boutsos").

There is, finally, also the "voice of the leader": Giorgos Voulgarakis, compatriot and for a long time a close associate of the chairman of the ND--the most certain of all the scenarios.

The position of Giorgos Xanthakis--the only one of the "Mitsotakis troika" who has not been eliminated by events--is precarious. "Pressures from the circle" of the ND leader are likely to ultimately give him a position on the Executive Committee.

The "changing of the guard" at the highest level of ONNED, with the appointment of Gennimatas to the chairmanship and the "federal executive," seems to be confirmed also by another event: The (public) declaration by Mitsotakis that there will be elections in all the organs of the youth organization.

The "Averof adherents," in any case, are not laying down their arms. Dissatisfied already by many "moves" of Mitsotakis and "giving notice" that "in ONNED no solution will be accepted which involves giving the axe to officers who for 3 years have supported the course of the organization," they are not hesitant to invoke the..."example of the trade organizations"! And they are "circulating" the assessment that: "Mitsotakis is moving towards downgrading ONNED and limiting it to the role which it had under Karamanlis, thus doing away with the achievements of the Averof period."

12114

CSO: 3521/33

TEXT OF LIBYA'S JALLUD SPEECH UNCONTESTED

Athens I KATHIMERINI in Greek 13 Oct 84 pp 1, 3

[Excerpts] Following the admission the other day that Papandreou has not signed an "agreement," but only an "act of understanding," the government went on yesterday to a second, more sensational revelation: The address given by the Libyan premier which was directed to Papandreou, whose content is unacceptable to the premier of an independent country, was acknowledged as authentic. But this did not prevent a branding of the official opposition as guilty of..."selling the nation short" on the occasion of the questions which were submitted to the European Parliament by Boutos, Tzounis, and Anastasopoulos concerning the "agreement" with Libya, the proposal for a Balkans without missiles, and the view of Papandreou as to the "intelligence role" of the jumbo jet which was shot down. And characteristic of the government's varying sensitivity about matters of national self-respect, depending on its own preferences, is the position of the alternate minister of foreign affairs, who: a) Did not even comment on the speech by Jallud, but confined himself to referring to the relations between Libya and PASOK (since 1975), and b) who labeled the European Parliament a "foreign agency" and used the word "patronizing" to describe the EEC, in which our country has participated on an equal basis since 1981.

These amazing positions were set forth in the course of yesterday's joint press conference which was given by Alternate Minister of Foreign Affairs Kar. Papoulias and Alternate Minister of National Economy K. Vaitzos, along with the government spokesman D. Maroucas. The unknown at the conference was whether it was to be revealed that Papandreou signed an "agreement," and in fact a binding one. The outcome of the conference was to show that the text which was signed is a description of intentions and of a political desire for economic cooperation. It is extremely general, and the implementation of its terms presupposes the concluding of a series of agreements covering each case, and indeed not even exploratory talks have begun on the most important of these.

"PASOK's Comrades"

Unquestionably the "big news" of yesterday's conference was the "address of Jallud": For the first time Papoulias made public its official text, but

without commenting on either the text or, of course, the relevant reportage and articles written by the press (and especially by KATHIMERINI).

The address by the premier of Libya to the premier of Greece--which the latter listened to unprotestingly--is as follows:

"In addressing Premier A. G. Papandreou during the meeting of the two delegations on 23 September 1984, Major Jallud welcomed him and expressed the pleasure of the people and their government in the visit. He stressed that the distance which separates the two countries is small geographically, and moreover they are very close in their sentiments as well. We have a common culture, added the Libyan leader, and he continued: With the advancement of PASOK, we have been given a new opportunity to strengthen our relations. The success of PASOK in the elections demonstrates the desire of the Greek people for change. People who throughout their history have given proof of a great culture and who have made many contributions. Our relations with our PASOK comrades have always been excellent, especially after their assuming of power. We value highly our relations of friendship with the PASOK movement. In the person of comrade Andreas Papandreou, we see the descendant of G. Papandreou. In his person we salute the entire Greek people. We are very optimistic about your rise to power. Many of your objectives are in common with our own. All the Arab states, even the regressive ones, value highly the excellent relations which exist between us. The rise of PASOK has taken place at a critical stage in history. Many responsibilities are arising for us. But the glorious Greek people know how to demand their own path, a path of change, peace, progress. We recognize the difficulties which you have had for centuries in your relations with the West. And we ourselves have been subjected to pressures, but we have followed a revolutionary course and have overcome the difficulties. Your visit was late in coming and is very brief, but also it matters very much to us. Despite the differences of our systems, we are linked by common principles regarding prosperity and progress. We recognize that you have inherited relics of old commitments, but we believe that you will keep your promises. Everybody speaks about peace, but everybody is preparing for war. We have an increase in population, a gap between the rich and the poor, military bases and fleets which are not moving out but rather are being expanded. The victories of the Third World are being threatened very much in this age. International detente is being threatened. Weapons procurements are continuing not only with the superpowers but also among small countries. The small countries are doing this because they have lost their faith in the United Nations, the Movement of Nonaligned Nations, and the other international organizations. There is an unjust distribution of wealth in favor of the Western countries, the multinational companies, and the United States. The industrial countries are undermining the development of the small countries. There is an unfair economic situation in which the Western countries, the multinational companies, and the United States are dominant. The economic crisis which is aimed, among other things, at cutting prices for raw materials is the result of a premeditated political decision. The dialogue between the North and South is a dialogue of the deaf. The

stationing of the "Pershing" and "cruise" missiles has led to a counter-action from the other side and has aggravated the situation, a fact which constitutes a genuine danger for humanity.

"We have great and common responsibilities because we are progressive countries. Our bilateral cooperation not only will benefit our peoples but also will resolve the problems connected with peace, progress, socialism. Visits should be made more frequently. We should work together and get to know one other. We should cooperate on solving the problems of peace, progress, and socialism. Let us ourselves make a start, so that other countries as well can cooperate with us. We want you to remain in an influential position in Greece. To see the faith of the people in you continue, so that our cooperation can continue as well. We are ready to do everything to support you.

"We have looked you over and are satisfied. We expected your visit immediately after your victory, but it does not matter.

"But now we ought to make up for lost time. You who are located in Europe can be the bridge along with us, who are in Africa. Our cooperation must aim at success, both within the bilateral framework and also internationally."

The "Explanations" of Papoulias

The only thing which Papoulias said about these unacceptable statements of the Libyan premier was the following:

"The relations mentioned between PASOK and Libya are not the current relations. There are relations between the parties, in particular within the framework of the relations among the socialist parties of the Mediterranean. You know very well that as a party, PASOK is a member of the Standing Secretariat of Socialist and Progressive Parties of the Mediterranean. Mr Jallud, who was also at the conference of Socialist and Progressive Parties of the Mediterranean at Malta as leader of the Libyan delegation, has had--if you wish--relations with PASOK on a party level ever since that period. Precisely these party ties were referred to. Because do not forget that Papandreou is also chairman of PASOK."

12114

CSO: 3521/33

1985 ELECTIONS SEEN UNLIKE PAST ONES

Lisbon TEMPO in Portuguese 9 Nov 84 p 12

[Article by Jorge Nuno Oliveira: "'Eanists': Conflict Among Candidates"]

[Text] On two occasions since 25 April the Portuguese have voted to elect a president of the republic; and on both occasions the vote for an independent, non-partisan candidate prevailed.

Ramalho Eanes, despite the fact that he emerged both in 1976 and 1980 with backing from partisan forces (opposing ones, significantly enough), has always kept his distance from the parties which underwrote and supported his candidacy.

Even more strange is the fact that a candidate from one party has not shown up in either of the two presidential elections already held.

Thus, it has been proven that: 1. the presidential elections are not based on criteria of party discipline; and, 2. the vote for a presidential candidate is different from the vote for a party or coalition.

This is the trump and the starting point of the so-called "Eanists." Maria de Lurdes Pintasilgo is running as a candidate because she is independent and non-partisan.

The "CNARPE"[National Commission to Back President Eanes' Reelection] movement claims that it will participate in the presidential elections with a candidate dissociated from the current party status. Who it may be is not yet known.

But one thing is certain: the candidates from the area generally termed "CNARPE" will contest among themselves for a space which, in the two previous elections, was for "all" the presidential candidates; in other words, the space of the independents and non-partisans.

However, those upholding this proposition have overlooked one crucial detail. In the elections held in 1976 and 1980, the major presidential candidates were military men: Ramalho Eanes, twice, Otelo, Pinheiro de Azevedo and Soares Carneiro.

In 1985, there should not be many military candidates. In 1985, there should not be many independent and non-partisan candidates. In 1985, the suppositions

considered applicable to the two previous elections will be subject to questioning.

If not, let's see. The candidate of the New CNARPE will himself be a party candidate. Isn't it a fact that the promoters of the former CNARPE are going to set themselves up as a political party? And isn't it a fact that the candidate to be proposed by them will be that party's candidate? It is true.

Maria de Lurdes Pintasilgo, on the other hand, has retained her independence and non-partisan status. But her candidacy appears to be associated with a very large bloc that has already become "institutionalized": namely, Eanism; in addition to the fact that her candidacy has emerged directed against the political system currently in effect. This bid should clash with the traditionally conservative spirit of the Portuguese electorate, which seldom backs a change; in this instance, a radical change.

2909

CSO: 3542/50

WIDELY BASED POLL POINTS TO PINTASILGO VICTORY

Lisbon TEMPO in Portuguese 9 Nov 84 pp 8-9

[Text] According to a poll assigned by our newspaper to the specialized company, Euroexpansion, Maria de Lurdes Pintasilgo would easily win the presidency of the republic if the elections were held this month. She is followed immediately by the head of government Mario Soares, who ranked in second place.

However, in the event that there should be a runoff election contested by Mario Soares and Lucas Pires, the Centrist leader would receive the victory. In another event of a runoff election, this time between Mario Soares and Salgado Zenha, the former would be elected president of the republic.

These are, roughly, the results accrued by this Euroexpansion/TEMPO poll, one of the largest taken in the country, for which 816 individuals residing in 126 localities all over the continent were interviewed.

This poll has the special feature of having been taken by the ballot-box method; in other words, those interviewed were given a voting ballot similar to the one used in the real presidential elections which, after having been filled out with the respective crosses, was put into a sealed ballot box in order to protect the confidentiality of the type of vote cast by those interviewed. This method has the advantage of completely removing the inhibitions of those interviewed, prompting them to be as sincere as possible.

There Is Majority Abstention

The first item of information from this poll is the high number of abstentions, and null and blank votes: 25.4 percent; which makes this type of vote the one chosen by the majority of voters interviewed. Nevertheless, this result is very close to those obtained in real elections. It may be recalled that, in the last election (the 1983 legislative elections), the percentage of abstentions stood at 23. It is noteworthy that half of those who abstained last year did not vote in the presidential elections either.

Maria de Lurdes Pintasilgo, whose candidacy in 1985 is being increasingly confirmed, appears as the major winner in the contest prepared by the poll: 21.5 percent of all the votes. From a regional standpoint, this candidate

obtains the following results: 41.3 percent of the votes are from voters on the country's central/southern coast (including Algarve); 38.2 percent are on the northern coast; only 9.2 percent are from the south interior section (Ribatejo and Alentejo); and 11.4 percent are in the north interior section (Alta and Baixa Beira and Tras-os-Montes).

As may be observed on Table 1, most of her voters reside in the villages (36.7 percent). In last place are the residents of Lisbon and Porto (comprising the category "cities with over 100,000 inhabitants"), with 14.6 percent.

Nevertheless, as may be noted in the column "%V," the voters in the villages only manage to give her a slight number of votes, amounting to 18.4 percent of the total for the rest of the candidates.

On the other hand, 80 percent of the votes that she received in this poll came from persons residing in regions that are considered developed socio-economically, as compared with 20 percent from undeveloped localities.

Majority of Lurdes Pintasilgo's Voters Voted for APU

With regard to voters' ages, it was found that most of her backers are under 40 years old (nearly 54 percent), compared with those over that age: 46 percent.

Finally, we undertook to analyze the parties voted for in last year's legislative elections by those interviewed in this poll who voted for Lurdes Pintasilgo. So, the large base of electoral backers of this candidate voted for APU [United People's Alliance] in the aforementioned election: 38.3 percent.

In second place, and far removed from the APU voters, Maria de Lurdes Pintasilgo received votes from 37.6 percent of the citizens who voted for the Socialist Party in 1983.

But what is her real base of support? If we look at the "%V" column on the table, we find the following results: Those who voted for APU in 1983 voted for the following candidates in this poll: 56.3 percent for Lurdes Pintasilgo, followed by Carlos Brito (18.1 percent); while 15.7 percent abstained.

With regard to the Centrists, it was found that only 4 percent of them voted for this candidate. The Social Democrats voted for her to an even lesser extent: 3.7 percent. As for the Socialists, 27.8 percent of them voted for Lurdes Pintasilgo (while only 29.9 percent cast their vote for Mario Soares).

To summarize: although she received most of the APU votes (56.3 percent, more than the Communist candidate himself), those votes, in numerical terms, account for only 38.3 percent of the total number of her votes.

Social Democrats Do Not Vote for Mario Soares

As we have already mentioned, the prime minister and almost certain candidate in 1985, Mario Soares, ranked second in this Euroexpansion/TEMPO poll, aimed

at learning the direction of the votes to be cast by the Portuguese people in the coming presidential elections. The head of government received 14.6 percent of the total votes of the voters who were interviewed.

In order to afford the reader of Table I an easy interpretation, we shall give the following example for the respective analysis: 56.4 percent of the votes received by Mario Soares came from citizens of the female sex, in contrast to 43.6 percent from males (%H: $56.4 + 43.6 = 100$). However, of all the individuals of the female sex who voted in this poll, only 14.7 percent voted for Mario Soares, the rest (85.3 percent) voting for the other candidates (%V).

Let's observe the Socialist leader's base of support. In the first place, we notice that nearly 30 percent of the voters who voted for the PS [Socialist Party] in 1983 voted for Mario Soares in this poll. As we have already noted earlier, an almost equal percentage of Socialists voted for Lurdes Pintasilgo, while 18.4 percent chose to abstain.

The vote from this 30 percent of Socialists who voted for Mario Soares constituted nearly 60 percent of his entire electorate. The other 40 percent originates with individuals who voted for other parties. The party which is his associate in the government coalition contributed only 16.4 percent of his electorate.

We take advantage of this occasion to point out that the direction of the vote from the voters interviewed who had voted for PSD [Social Democratic Party] in the 1983 legislative elections was as follows in this poll, in descending order: Most of the Social Democrats abstained from voting: 20 percent; next, 18.5 percent voted for Freitas do Amaral; followed by 17.2 percent who voted for Mota Pinto; 11.6 percent for Mario Soares; 10 percent for Lucas Pires; 9.9 percent for Francisco Pinto Balsemao; 7.6 percent for Alberto Joao Jardim; 3.7 percent for Lurdes Pintasilgo; and 1.5 percent for Salgado Zenha. No Social Democrat voted for Carlos Brito.

We have just disclosed the direction of the Social Democrats' votes in the presidential elections. The first lesson learned is that PSD does not have a strong candidate for the aforementioned elections; which prompts its sympathizers to vote for another party's candidate, for the most part: namely, Freitas do Amaral. On the other hand, there are very few PSD members who voted for Mario Soares. If we combine the votes of the two centrist candidates, Freitas do Amaral and Lucas Pires, we note that nearly a third of the Social Democrats voted for them. This is a very important item of information, if we realize that only a sixth of the PSD members voted for their own leader, Mota Pinto.

Freitas do Amaral Received More Votes from PSD Than From CDS

Despite the fact that he has publicly stated that he would not run in the forthcoming presidential elections TEMPO decided to include Freitas do Amaral's name on the list of likely candidates for that election. We were correct in doing that because the poll revealed that the former centrist leader ranked a clear third in the "presidential race."

Diogo Freitas do Amaral's electoral base consists, first, of over 40 percent Social Democrats; second, 31.6 percent Centrists; and, third, 11.1 percent Socialists. It should be noted that almost 1 percent of this candidate's votes came from APU voters. However, we must explain that the Centrists (see column "%V") account for nearly a third of Freitas do Amaral's total voters. Although his main base of support is comprised of PSD members, they only managed to give him 18.5 percent of the total number of his votes.

Alberto Joao Jardim Receives Socialist Votes

The regional government president and PSD leader from Madeira, Alberto Joao Jardim, ranked fourth, with 6.8 percent of the total vote. It should be remembered that this poll did not include the Autonomous Regions.

Joao Jardim's major base of support came from those interviewed who abstained from voting in the 1983 elections. Following next are the Socialists, who voted most for the head of the Madeira government (26.5 percent); and then the voters from his own party (23.1 percent). The CDS [Social Democratic Center Party] voters comprise 15 percent of his base of support; but, in numerical terms, this ostensibly small percentage accounts for most of the votes received by him in this poll: 10.1 percent, as may be seen in column "%V" of the table.

Immediately thereafter comes the CDS leader, Lucas Pires, with 6.6 percent of the total vote. This candidate's electoral base is as follows: nearly 38 percent Centrists, 31 percent Social Democrats and 18.7 percent Socialists. No APU voter voted for him.

We take this occasion to indicate the direction of the votes cast by CDS voters: 29.6 percent voted for Freitas do Amaral; 24.8 percent, for Lucas Pires; 10.1 percent, for Joao Jardim; 7.5 percent, for Mota Pinto; 4.2 percent, for Mario Soares; 4 percent, for Lurdes Pintasilgo; 2.7 percent, for Pinto Balsemao; 2.2 percent, for Salgado Zenha; and 1.1 percent, for Carlos Brito. It should be noted that 13.8 percent of the Centrists abstained.

The vice prime minister, Mota Pinto, attained 6 percent of the total votes in this Euroexpansion/TEMPO poll. Almost 60 percent of his base of support is comprised of Social Democrats.

Ranking in seventh place was the former prime minister, Pinto Balsemao, with 4.2 percent of the total vote; followed by Carlos Brito, with 2.9; and, finally, Salgado Zenha, with 2.6 percent.

Concluding this "round" for the first balloting, we emphasize the following point: Most of the voters interviewed who reside in the north interior region voted for Mario Soares; those in all the other parts of the country voted for Maria de Lurdes Pintasilgo, for the most part.

Surprises in the Runoff Election

An extensive, thorough poll on the presidential elections such as this would be incomplete without foreseeing the eventuality of a runoff in the aforementioned election.

Although it has never been necessary in our country, it should be recalled that the Constitution requires the holding of new presidential elections if no candidate receives an absolute majority after the first vote count. We must remember that, based on the terms of the Constitution, only the two candidates with the most votes in the first balloting compete in the runoff election.

Since it is impossible to foresee all the possible combinations, TEMPO chose two hypotheses for runoff elections in this poll: the first one, to be contested between Mario Soares and Lucas Pires; and the second, between Mario Soares and Salgado Zenha (since the latter has already been cited as a strong contender).

Lucas Pires Defeats Mario Soares

If Lucas Pires were to appear before the electorate in competition with Mario Soares, the Centrist leader would emerge victorious from the challenge, with 31.8 percent of the vote, in contrast to only 27.6 percent for the prime minister. On the other hand, in this contingency of a runoff election, there would be 40.3 percent absentions, and null and blank votes.

If we look at Table No II, we can observe who would change the direction of his vote from the first to the second balloting. For example, 42.6 percent of those who voted for Alberto Joao Jardim in the first balloting would vote for Lucas Pires; 15.3 percent of those who had voted for Carlos Brito would do so; as would 68.7 of those voting for Freitas de Amaral, 22.8 percent of those voting for Lurdes Pintasilgo, 71.1 percent of those who voted for Mota Pinto in the first balloting, 48.1 percent of those voting for Pinto Balsemao, and 39.3 percent of those voting for Salgado Zenha. It should be emphasized that 90.2 percent of the voters interviewed who had already voted for Lucas Pires in the first balloting would maintain the same direction in the vote in the second count.

On the other hand, only 78.6 percent of those who voted for Mario Soares in the first balloting would remain loyal to him. The Socialist leader still received the votes of 37.6 percent of those who had voted for Joao Jardim, 16.5 percent of those voting for Carlos Brito (almost the same as Lucas Pires), only 15.6 percent of those voting for Freitas do Amaral, 37.2 percent of those voting for Lurdes Pintasiglo (exceeding the number for the CDS head), only 9.6 percent of those voting for Mota Pinto (in contrast to the 71.1 percent for Lucas Pires, as we noted before), 24.2 percent of those voting for Pinto Balsemao and 20.3 percent of the voters who had voted for Salgado Zenha in the first balloting.

Let us analyze the direction of the vote of those voting for these candidates, according to the party for which those interviewed voted in 1983. We start with APU: 67.5 percent of this party's voters abstained from voting in this runoff election; 19.2 percent voted for Mario Soares, and 13.2 percent for Lucas Pires. Hence, it is clear that the Socialist leader is not APU's useful candidate against the "right."

As for CDS, nearly 66 percent of this party's voters voted for Lucas Pires, compared with 11 percent who voted for Mario Soares in this runoff election. With regard to the PSD voters, they voted overwhelmingly for Lucas Pires: over 52 percent; whereas only 23.8 percent voted for Mario Soares. Finally, more than 46 percent of the Socialists voted for their leader, although 16.7 percent had opted for Lucas Pires. Thus, in this contingency of a runoff election, Lucas Pires would win more votes from Socialists than he would lose Christian Democrats' votes in favor of Mario Soares.

A contest between Mario Soares and Salgado Zenha was, as we have said, the other hypothesis considered for the runoff election.

When that option was offered, Mario Soares won easily over his adversary with 34.8 percent, in comparison with 23.6 percent of the votes from the electors. The abstentions were more numerous than in the first contingency: 42.4 percent.

As may be noted from Table No II, the following transfers of votes would occur in this contest: Mario Soares took most of the votes of those interviewed who voted for Alberto Joao Jardim, Freitas do Amaral, Lucas Pires (although by a very slight margin), Mota Pinto and Pinto Balsemao in the first balloting. On the other hand, most of those who voted for Carlos Brito and Lurdes Pintasilgo would transfer to Salgado Zenha.

From a party standpoint, the voting was as follows: 45.5 percent of the APU voters abstained; over 41 percent voted for Salgado Zenha; and only 13.2 percent, for Mario Soares.

Of the Centrists, 48.6 percent abstained; 26.5 percent voted for Mario Soares; and 24.9 percent, for Salgado Zenha. Hence, this party was virtually divided in half, backing these two candidates.

The vote of the Social Democrats was varied: 43 percent abstained; 38.1 percent voted for Mario Soares; and only 18.9 percent, for Salgado Zenha.

Strangely enough, the percentage of Socialists who opted to abstain was very high: nearly 27 percent.

Methodology

Target Group: Population recorded in the electoral lists residing on the continent in localities with five or more inhabitants.

Sample: 816 individuals, contacted directly and personally.

Polyphase, random selection, based on a structure obtained by blocking off the following variables: region, socioeconomic development and population size.

Balancing made with these variables: sex, age and vote in April 1983.

Collection of Data: Interviews held between 19 and 25 October 1984, in 126 localities, by 39 supervised interviewers.

The collection was made using the "Euroexpansion Ballot" method, with a printed form imitating a voting ballot.

Reliability of the Results: The maximum interval of reliability (level of significance = 0.05) is ± 3.4 percent out of the total.

Euroexpansion is responsible for the poll, and TEMPO for the questions asked and for the analysis of the results thereof.

(1) **QUADRO I — ELEIÇÕES PRESIDENCIAIS (1.ª VOLTA)**

	TOTAL	(2) REGIÃO				(3) DESENVOLV.				(4) IDADE		(5) SEXO		(6) VOTO EM 83			
		(7) LITORAL		(8) INTERIOR		(9) LITORAL		(10) INTERIOR		(11) MENOS DE 1000 HABIT.		(12) DE 1001 A 100 MIL HABIT.		(13) MAIS DE 100 MIL HABIT.		(14) MAIORES DE 100 MIL HABIT.	
		(7)	(8)	(9)	(10)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	% M																
TOTAL	100,0	39,5	15,1	34,5	9,9	42,9	24,2	13,2	17,7	31,7	39,3	45,6	54,2	44,3	55,7	14,7	19,0
ALBERTO UAG	100,0	58,8	11,3	47,9	14,3	19,5	30,8	29,7	29,0	74,3	26,7	48,0	52,0	54,7	45,3	5,0	15,0
JADWW	6,8	4,6	4,7	9,4	9,5	3,1	8,5	10,4	9,8	6,9	6,4	7,1	5,5	8,3	5,5	2,3	10,1
CARLOS BRITO	100,0	49,4	1,3	33,2	25,1	4,7	21,5	17,8	18,9	77,6	22,4	39,9	60,1	50,7	49,3	9,3	3,8
PRETAS	2,9	2,9	0,2	2,8	7,3	2,8	2,6	2,7	4,0	3,1	2,3	2,5	3,2	3,2	2,5	1,1	0,0
AMARAL	100,0	35,0	17,2	38,0	9,8	41,2	21,9	11,5	22,5	65,1	34,9	37,9	62,7	45,9	54,1	1,3	31,6
AMARAL	9,4	8,3	10,3	10,4	9,3	9,7	8,5	5,6	15,4	8,5	11,6	7,6	10,9	9,7	9,1	0,9	29,6
LUIZAS PRES	100,0	52,1	24,5	19,9	3,6	60,2	10,2	10,4	9,3	61,9	38,2	41,1	58,9	49,2	50,8	9,0	37,2
LUIZAS PRES	5,6	8,7	10,0	3,8	2,4	9,2	2,5	8,9	4,4	5,8	8,4	5,9	7,1	7,3	5,0	0,0	24,8
LUIZES	100,0	38,2	11,4	41,3	9,2	36,7	25,2	23,5	14,5	80,0	20,0	59,9	46,1	49,6	50,4	38,3	1,6
PRIVILEGIO	31,3	29,8	15,2	35,2	19,3	18,4	15,5	26,5	22,5	34,0	15,2	25,3	19,3	24,1	19,5	4,0	3,7
MARCO	100,0	32,3	12,0	40,1	9,0	37,6	25,8	19,0	17,6	63,1	36,9	48,9	51,1	43,6	56,4	2,4	2,9
BOARES	14,5	11,9	16,3	17,2	13,2	12,8	15,5	12,4	18,7	40,0	15,9	15,6	13,7	14,1	14,7	2,4	4,2
UNICAPITO	100,0	53,2	18,4	18,5	9,9	57,2	15,0	15,8	12,0	62,1	37,9	47,0	53,0	39,4	60,6	1,7	12,4
UNICAPITO	6,0	8,1	6,9	3,2	6,1	8,0	3,7	5,0	5,3	5,2	8,1	5,2	5,9	5,4	6,5	0,7	7,3
PINTO	100,0	52,8	11,2	12,7	18,2	56,2	17,3	13,6	10,7	60,1	39,8	48,8	53,2	42,4	57,5	3,6	6,5
DAISEMAL	4,2	3,8	4,2	1,5	1,7	5,5	3,1	2,4	3,1	3,5	3,8	4,3	4,1	4,0	4,3	1,1	2,7
DAISEMAL	100,0	38,1	15,9	30,3	5,7	28,1	17,8	17,8	5,8	91,7	18,3	40,9	57,1	38,0	61,0	13,8	8,5
DAISEMAL	2,6	2,5	2,5	3,0	1,6	1,1	6,1	4,5	1,1	3,2	1,7	2,5	2,0	2,3	2,9	2,5	2,2
ABRILHOS	100,0	47,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	5,4
ABRILHOS	25,4	26,5	29,0	27,0	22,9	28,8	26,1	27,9	15,2	25,8	24,6	21,1	27,5	21,2	28,8	3,7	12,8
ABRILHOS	100,0	21,1	19,2	31,2	8,9	48,5	25,3	17,9	8,2	10,7	27,3	41,5	52,5	36,9	63,1	2,0	

Key to Table I:

1. Table I - Presidential Elections (First Balloting)
2. Region
3. Development
4. Age
5. Sex
6. Vote in 1983
7. Northern Coast
8. North Interior
9. South-Central Coast
10. South Interior
11. Under 1,000 Inhabitants
12. From 1,001 to 10,000 Inhabitants
13. From 10,001 to 100,000 Inhabitants
14. Over 100,000 Inhabitants
15. Developed
16. Undeveloped
17. - 40 Years
18. 40 + Years
19. Male
20. Female
21. Others
22. Abstentions
23. Abstentions/Null-Blank
24. %H = percentage of voters associated with each category - age, regions, etc.
25. %V = real percentage received by the candidates relative to the competitors as a whole

(1) QUADRO II - SEGUNDA VOLTA

		TOTAL	MARIO SOARES	RAJADO ZENHA	ABSTEN (DES BRANCO)	MARIO SOARES	LUIS CARLOS PIERES	ABSTENÇÕES EM BRANCO
REGIÃO	%H	100.0	34.0	21.6	44.4	27.0	31.4	40.3
ALICERTE (JARDIM)	%H	100.0	47.0	16.0	37.0	37.6	42.4	19.8
ALICERTE (M)	%V	8.4	9.3	6.8	6.8	9.1	9.1	1.7
CHARLES (BENTO)	%H	100.0	9.9	37.9	52.2	14.5	15.3	40.1
CHARLES (F)	%V	2.8	0.8	4	1.5	1.7	1.4	4.8
CHARLES (ZAMBA)	%H	100.0	41.7	26.2	32.1	15.6	18.7	14.9
CHARLES (F)	%V	9.4	11.5	10.4	12.1	5.0	6.0	4.0
CHARLES (F)	%H	100.0	31.9	29.0	39.2	3.6	9.0	27.1
CHARLES (F)	%V	6.6	6.2	8	10.4	1.8	10.4	1.0
CHARLES (F)	%H	100.0	26.3	17.8	23.9	37.2	25.8	40.0
CHARLES (F)	%V	21.5	17.9	43.6	12.1	28.7	15.4	21.4
MARIO SOARES	%H	100.0	88.1	2.4	9.4	78.6	1.4	16.0
MARIO SOARES	%V	14.6	37.8	1.5	3.3	41.1	2.4	6.8
MARIA (BENTO)	%H	100.0	11.4	26.2	38.4	9.4	21.1	19.4
MARIA (B)	%V	6.0	6.1	7.1	5.8	2.1	11.0	2.0
DINHO (BACEMÃO)	%H	100.0	35.5	18.5	46.0	24.2	48.0	22.0
DINHO (B)	%V	4.2	4.4	3.3	4.1	1.6	4.1	1.0
RAJADO ZENHA	%H	100.0	0.0	76.1	20.9	2.0	15.1	40.4
RAJADO ZENHA	%V	2.8	0.0	8.9	1.3	1.9	1.1	1.1
ABSTENÇÕES	%H	100.0	7.9	7.6	84.5	6.2	12.1	81.8
ABSTENÇÕES	%V	25.4	5.9	8.2	50.7	5.7	9.4	45.6

(2)

Key to Table II:

1. Table II - Runoff Election
2. Abstentions/Null-Blank

(1) QUADRO III-2.ª VOLTA / 1.ª HIPÓTESE

	TOTAL	(2) REGIÃO				(11)(12) HABITAT (13)(14)				DESENVOLV(3)(4)				(5) SEXO		(6) VOTO 83																			
		(7) LITORAL NORTE		(8) LITORAL CENTRO-SUL		(9) INT. SUL		(10) INT. NORTE		(11) MAIS 100 MIL HABIT		(12) 100 MIL A 100 MIL HABIT		(13) MAIS 100 MIL HABIT		(14) 100 MIL A 100 MIL HABIT		(15) DESER. VOLTA		(16) DESER. ENVOLTA		(17) 40 ANOS		(18) 40+ ANOS		(19) HOMENS		(20) MULHER		(21) AMU		(22) OUTROS		(23) ASST	
		(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)		
TOTAL	1000	395	161	345	90	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	192	137	
MARIO SOARES	1000	393	158	392	77	175	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283	185	283
LUCAF	1000	415	282	265	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187	112	187
ARISTENÇÕES	1000	381	122	374	127	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206	130	206
B. E. N. O. S.	1000	389	105	478	507	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432	364	432

(24) QUADRO IV-2.ª VOLTA / 2.ª HIPÓTESE

	TOTAL	(2) REGIÃO				(11)(12) HABITAT				(13)(14)				DESENVOLVIMENTO				IDADE (4) (5)				SEXO				(6) VOTO 83											
		LITORAL NORTE		LITORAL CENTRO SUL		INTERIOR SUL		INTERIOR NORTE		MENOS DE 100 MIL HABITANTES		100 MIL A 100 MIL HABITANTES		MAIS 100 MIL HABITANTES		DESER. VOLTA		DESER. ENVOLTA		40 ANOS		40 + ANOS		HOMEN		MULHER		CD'S		PSD		PS		OUTROS		ASST	
		(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)		
TOTAL	1000	395	161	345	90	420	242	192	137	717	263	459	542	443	557	100	147	100	205	291	27	230	21	22	21	22	21	22	21	22	21	22	21	22	21	22	
MARIO SOARES	1000	372	180	358	90	388	259	172	181	682	308	458	517	454	545	78	57	78	230	445	14	256	14	256	14	256	14	256	14	256	14	256	14	256	14	256	
ALCANTARA	1000	391	187	300	122	475	258	184	145	563	331	475	535	538	592	105	257	105	164	261	29	184	29	184	29	184	29	184	29	184	29	184	29	184	29	184	
ARISTENÇÕES	1000	416	133	358	94	436	220	213	131	764	276	428	572	397	807	115	137	115	208	185	35	430	35	430	35	430	35	430	35	430	35	430	35	430	35	430	
BRANCOS NULOS	1000	446	348	441	407	411	346	471	404	452	354	397	447	380	459	406	455	406	430	269	567	567	567	567	567	567	567	567	567	567	567	567	567	567	567		

Key to Table III and Table IV;

1. Table III - Runoff Election/First Hypothesis
2. Region
3. Development
4. Age
5. Sex
6. Vote in 1983
7. Northern Coast
8. North Interior
9. South Central Coast
10. South Interior
11. Under 1,000 Inhabitants
12. From 1,001 to 10,000 Inhabitants
13. From 10,001 to 100,000 Inhabitants
14. Over 100,000 Inhabitants
15. Developed
16. Undeveloped
17. - 40 Years
18. 40 + Years
19. Male
20. Female
21. Others
22. Abstentions
23. Abstentions/Null-Blank
24. Table IV - Runoff Election/Second Hypothesis

O modelo de boletim de voto que os entrevistados depositaram nas urnas da Euroexpansão

(1)

(2) ELEIÇÕES PRESIDENCIAIS - 1ª VOTAÇÃO

AGUIAR DE SOUSA		<input type="checkbox"/>
CARLOS BRITO		<input type="checkbox"/>
FREITAS DE AMARAL		<input type="checkbox"/>
LUIZAS PINES		<input type="checkbox"/>
JARVIS PEREIRA		<input type="checkbox"/>
MARIO SOARES		<input type="checkbox"/>
WITA PINES		<input type="checkbox"/>
JOSE BALDINO		<input type="checkbox"/>
OUTRO CANDIDATO		<input type="checkbox"/>

(3) ELEIÇÕES PRESIDENCIAIS - 2ª VOTAÇÃO

MARIO SOARES		<input type="checkbox"/>
SALGADO ZENHA		<input type="checkbox"/>

(4) ELEIÇÕES PRESIDENCIAIS - 3ª VOTAÇÃO

MARIO SOARES		<input type="checkbox"/>
LUIZAS PINES		<input type="checkbox"/>

(5) ELEIÇÕES PARA DEPUTADOS

ALIANÇA Povo Unido - APU (6)		<input type="checkbox"/>
CENTRO DEMOCRÁTICO SOCIAL - CDS (7)		<input type="checkbox"/>
PARTIDO SOCIAL DEMOCRATA - PSD (8)		<input type="checkbox"/>
PARTIDO SOCIALISTA - PS (9)		<input type="checkbox"/>
OUTRO PARTIDO (10)		<input type="checkbox"/>
NÃO VOTEI (11)		<input type="checkbox"/>

Key to Ballot Form:

1. The Type of Voting Ballot That Those Interviewed Cast in the Euroexpansion Ballot Boxes
2. Presidential Elections - First Balloting
3. Presidential Elections - Runoff (First Hypothesis)
4. Presidential Elections - Runoff (Second Hypothesis)
5. Last Elections for Deputies
6. United People's Alliance (APU)
7. Social Democratic Center Party (CDS)
8. Social Democratic Party (PSD)
9. Socialist Party (PS)
10. Other Party
11. Didn't Vote

2909

CSO: 3542/50

POSSIBLE SURPRISE CANDIDATE: DANIEL PROENCA DE CARVALHO

Lisbon TEMPO in Portuguese 9 Nov 84 p 10

[Article by Anibal Mendonca: "Soares Needs PSD Backing to Reach Belem"]

[Text] In December 1985, only four or five candidates will be running against each other in the presidential elections. More than a year away, however, there are nearly 20 candidates in the running: an understandable situation. Many of the pre-candidates don't even know that they are such until they read their names in the newspapers or hear them on the radio. What is important to stress during this phase of preparation and warm-up is the underlying strategy, taking a sounding, gaging sensitivity and comparing polls. How much strength does candidate A have over candidate B or C? What if there should be a runoff election? Who would transfer his vote to whom? Thus, a scenario filled with extra players emerges. As for the stars, they are carefully concealed behind the curtain, fleeing from the forefront of the stage, avoiding the bright light from the projectors. There are some, serenely confident, who claim that so much speculation is of no use. Mario Soares, the prime minister with negotiating power, is already the president of the republic for the post-Eanes era. Others smile and wait. "Not all the trumps have been played; not all the aces have been put down." We, here, are going to help both groups to gage forces. Eanists, Centrists, Social Democrats and Socialists have the game for themselves; they are even now starting to set up the ploy. They need to know what the trump is, and to select partners.

A Social Democratic leader, queried about the presidential elections, who said that he wanted to remain anonymous, claiming that the party was to assume a stand on the question during the forthcoming National Council meeting to be held on 24 and 25 November in Viseu, told TEMPO: "If Dr Mario Soares wants to reach Belem, as everything seems to indicate, he will have to consider PSD's [Social Democratic Party] backing or veto critical."

The same PDS member also remarked that willingness to lend assistance to Mario Soares is currently advocated by some individuals with authority in PSD, but added that "a large majority" is in favor of running a candidate of their own, either civilian or military, to be decided by the chairman of the Political Commission (Mota Pinto) on the proper occasion, which is expected to be during the course of the National Council meeting.

Sources close to Mota Pinto give assurance (as TEMPO reported last week) that Eurico de Melo will have the suitable profile for a candidate for Belem. Many people claim that this choice, which has not been so peaceful as had originally been thought, is a concealed way of choosing Mario Soares, in the first or second balloting, without hurting those who are overtly and definitely opposed to the PS [Socialist Party] secretary general. Still others say that Eurico de Melo would not attract the votes of thousands of PSD members, claiming that "other than having been Sa Carneiro's minister, he has done nothing but create expectations."

Decisive Weeks

In the view of many, particularly Social Democrats and Socialists, the weeks elapsing from now until the National Council meeting will be decisive. In fact, until that time, if Mario Soares has any prospects in this matter, which is backed by the Social Democrats, many agreements will have to be "cooked up", for which purpose contacts and meetings on various levels would be urgently needed. But since time is running out and nothing is being said, at least to the public in general and to PSD members in particular, there is every indication that no opportunities will be forthcoming and that there will be progress toward other candidates.

The party leader from Buenos Aires himself further claimed that support for Mario Soares will also be contingent on concrete points, such as the revision of the Constitution, the exercise of power in a manner different from that at present, a different qualitative composition of the government and a change in the fundamental rules, so as to ensure the credible solvency of the regime.

The Military Hypothesis

There is within the PSD a considerable sector which upholds the hypothesis of a military candidate. And all, or nearly all of them have their sights on Gen Firmino Miguel; although they admit the possibility of Lemos Ferreira, so as thereby to succeed in taking votes from the PSD right wing and to ensure a runoff election (with the realization, based on some polls, that the candidate following Eanes would not receive over 16 percent; Lurdes Pintasilgo, about the same percentage; a candidate of the radical left, 4 percent; Mario Soares, 28 percent; and the PSD/CDS [Social Democratic Center Party] candidate, 36 percent), in view of the impossibility of attaining it in the first balloting.

However, Firmino Miguel may be already removed from PSD's field of vision, which has been constantly claimed because of positions that individuals close to Ramalho Eanes are said to have assumed, with the view that "Firmino Miguel would be a military candidate that the Armed Forces and even the president himself would approve," as was told to us some time ago by a military member of the president of the republic's cabinet.

Antonio de Spínola and Garcia dos Santos may also be potential military candidates, each from a different area; and there are still some who may claim that the current tenant at Belem might back the first president of the republic since "25 April."

Big Surprise

The name of a man who, up until now, has been mentioned only by SEMANARIO as a possible candidate: Daniel Proenca de Carvalho, may be dropped like a bomb in Portuguese political circles. In fact, the former president of the television enterprise is starting to be cited very often, based on various reasons; namely, that he is a friend of Mota Pinto (and of Mario Soares as well), that he is a good manager, very diplomatic and political secure, in addition to being able to please PSD, CDS, members of PS and even independents, most especially those dissatisfied ones who might be inclined to abstain. In addition to this, they claim, Proenca de Carvalho did not suffer any erosion as a result of his tenure in the government and his stay at the television enterprise left him a quality of firmness which many consider important.

One thing is certain at present: Proenca de Carvalho would receive the support of many leaders of various parties if his nomination were considered, as we were told by a leader from Buenos Aires.

2909

CSO: 3542/50

CDS SEES BALSEMAO AS LEAST FEARED CANDIDATE

Lisbon TEMPO in Portuguese 9 Nov 84 p 12

[Article by J.A.O.: "CDS: Pushing Lucas Pires"]

[Text] CDS [Social Democratic Center Party], greatly restricted by external strategies from the standpoint of selecting candidates, will most likely have to wait for PSD's [Social Democratic Party] decision before it determines its own conduct. This, moreover, will not be a problem, because if it opts for a party candidate, either of the nominees that it has available (Lucas Pires and Adriano Moreira) is sufficiently well known to the electorate to be able to be the last one to start running.

Disregarding the hypothesis of Freitas do Amaral, who could be a candidate of the Centrist electorate but who could hardly be the candidate of the party's leadership, CDS' sights would be turned toward Firmino Miguel, in the event that the latter were to receive backing from PSD as well. But, according to the Centrists, a common candidate shared by the two parties would necessarily entail a break in the coalition that is holding power. Being allied with PS [Socialist Party] in the government, and with CDS in the race for Belem would be a duplicity on PSD's part that the Centrists are unwilling to tolerate.

A Christian Democratic deputy recently told us: "PSD always attempts to be the alternative to itself, so as to remain permanently in the area of power."

Balsemao: the One Wanted

In this scenario, prevented by its own desire and by the force of circumstances from backing a joint candidate with other political forces, CDS has found it necessary to go ahead with a candidate of its own, with a partisan appearance. But the possibilities of such a candidate depend essentially on the other candidates that emerge to the right of Mario Soares.

Therefore, it is in the Centrists' interest for the individual whom PSD eventually backs to be the most innocuous one possible. And in this regard they have not concealed their preference for the image of Pinto Balsemao. On the other hand, Alberto Joao Jardim appears to be their most feared opponent, owing to his demagogic language capable of penetrating deeply into the hearts of the middle class, particularly that in the rural areas.

The Centrists' choice between their two best candidates, namely, Lucas Pires and Andriano Moreira, may also possibly result from the personalities of their opponents.

In the event of another strong candidacy to the right of Soares, CDS should opt for Adriano Moreira, who is capable of gathering the conventional right around him and, with his serious and rather harsh image, of ensuring good results whatever happens.

If, on the other hand, it should have conditions enabling it to attempt a runoff contest with Soares or Lurdes Pintasilgo, CDS would have to convince Lucas Pires to be a candidate for Belem. And, as may be observed from the poll that we have published elsewhere, his possibilities are rather considerable.

In any case, win or lose, Lucas Pires would in fact assume the position which even now belongs to him by right, particularly in the absence of other competitors: that of leader of the entire Portuguese right. There are already many within CDS who are pushing "their" president, in the dual sense of this word.

2909

CSO: 3542/50

CDS OFFICIAL ON CONDITIONS OF JOINT PSD-CDS CANDIDATE

Lisbon TEMPO in Portuguese 9 Nov 84 p 11

[Interview with CDS leader Manuel Queiro by Jorge Alves de Oliveira; date and location unspecified]

[Text] CDS [Social Democratic Center Party] will only be able to back a presidential candidate jointly with PSD [Social Democratic Party] if the latter party leaves the coalition that it is currently maintaining with PS [Socialist Party]. This is the position held by the Centrist leader, Manuel Queiro, regarding his party's electoral strategy.

In the interview which he granted to TEMPO, engineer Manuel Queiro also flatly denied the possibility of CDS' backing Mario Soares, even in a runoff election; and he considers the eventuality of the elections being decided between the PS secretary general and another candidate still further to the left "a dangerous leftist orientation of the regime."

A politician of the CDS new wave, regarded as being close to Lucas Pires, Manuel Queiro is secretary of the Centrist Political Commission, and has performed noteworthy work in the Coimbra district entity, which recently elected him its president.

TEMPO: For a long time, CDS' presidential strategy was based on running a candidate in the presidential elections jointly with PSD. Since the latter party seems to be uninterested in allowing such a candidate to appear, what alternative remains for CDS?

Manuel Queiro: What seems obvious to me is that PSD is not interested in breaking off the coalition with PS and leaving the government. From that standpoint, we cannot count on the Social Democrats to construct a valid alternative to Dr Mario Soares' candidacy.

TEMPO: Does this mean that CDS has now completely precluded the possibility of a common candidate, such as Gen Firmino Miguel, for example?

Manuel Queiro: What we ask is a preliminary question: an alternative candidacy to that of Dr Mario Soares means the end of the coalition. It is impossible to keep the two united parties in the government and the assembly, determining

the essential policies jointly, and later counting on the emergence of different plans in the presidential elections.

TEMPO: Then even if PSD would support the candidacy of Gen Firmino Miguel, would CDS refuse to lend its backing to such a candidate?

Manuel Queiro: Any candidacy opposing Dr Mario Soares that PSD would back, while remaining in the government, would not be a credible alternative; and hence CDS will have to offer the genuine alternative. I don't believe that the public would accept that double position on the part of PSD regarding PS. The presidential candidacy is an occasion for submitting a plan and a political philosophy. And different plans are not compatible with a joint government.

Against Socialism and Communism

TEMPO: Could CDS have the necessary political clout at present to offer a valid alternative to Dr Mario Soares' candidacy, particularly in the event that another rather strong candidacy left of the latter should emerge?

Manuel Queiro: That political force must exist, because if the terms of the runoff alternative were established between the Socialist candidate and another candidate left of the latter, we would be faced with a dangerous leftist orientation of the regime.

The country must have the strength to back a non-Socialist and non-Communist alternative to Dr Mario Soares.

If CDS were the only backer of that candidacy, it would gather around it all the forces in Portugal that are opposed to socialism and communism.

L. Pires or A. Morcira Are Possibilities

TEMPO: And where would CDS find a candidate capable of representing that alternative?

Manuel Queiro: Inside or outside of the party: that is not the issue. We have individuals capable of projecting the notion of that alternative on the national level.

TEMPO: Are you referring to the names of Lucas Pires and Adriano Moreira?

Manuel Queiro: They are two possibilities; but there may be more.

TEMPO: But do you think that either of them would be equipped to contend with Mario Soares?

Mario Queiro: It depends on the strength of our forces opposed to socialism and communism; because Dr Mario Soares' election would unquestionably be a major victory for socialism, which needs to be avoided at all costs.

'We Shall Not Support Soares'

TEMPO: However, wouldn't a more predictable scenario be Dr Mario Soares' going to Belem with CDS backing to prevent the victory of a candidate more to the left?

Manuel Queiro: I am not considering that eventuality. Turning Dr Soares into a pseudo-candidate of the right would be a great victory for the Communist Party; and I don't think that the country will succumb to that.

TEMPO: But if it should succumb, CDS might even support Dr Mario Soares....

Manuel Queiro: I cannot accept that idea, because it would be the negation of CDS' own political philosophy. We are opposed to Dr Mario Soares' candidacy, and we could never go so far as to back it. Besides, that has already been asserted by the party's authorized organs.

Local Elections: Capitalizing on the Dissatisfaction

TEMPO: Changing the electoral topic: what importance does CDS attach to next year's local elections?

Manuel Queiro: We think that they could serve almost as early legislative mini-elections. The judgment that the people want to make of this government is so negative that they cannot wait for the legislative elections. And that is why we intend to submit our alternative plan to the electorate now.

On the other hand, as a Christian Democratic party, CDS always attaches great significance to the election of local government organs. We shall offer isolated candidacies which, taking the local conditions into consideration, abide by the strategy determined on the national level of making these elections a judgment of the government.

TEMPO: Then it could be said that the CDS strategy will be based on two points: capitalizing on the people's dissatisfaction with this government and seeking good candidates, specifically, among the former chamber presidents....

Manuel Queiro: CDS has an obligation to capitalize on that dissatisfaction for several reasons, noteworthy among which is the benefit that could be derived from this for the overall balance of the national political situation. We must not forget that the other alternative to the central bloc is the Communist Party.

As for the selection of candidates, it will have to give priority to the individuals considered by the public to be most competent and prestigious; which does not indicate a preference for chamber presidents from before 25 April, although we do not have any qualms in that respect.

2909

CSO: 3542/50

WESTERBERG HOPES MORE CONSERVATIVE IDENTITY TO AID LIBERALS

Stockholm DACENS NYHETER in Swedish 18 Nov 84 p 15

[Commentary by Sven Svensson: "Conservative Profile is FP's Weapon in the Struggle for Voters"]

[Text] On Friday the FP [Liberal Party] begins its national congress in Stockholm. Bengt Westerberg has a difficult balancing act before the election one year from now. He is trying to create new reliability for the Liberal Party by clearly lining up on the nonsocialist side. In this way he hopes to take votes back from the Conservatives. Reliability is the key factor which Bengt Westerberg is trying to exploit in the difficult struggle for nonsocialist voters. According to the spirit of the times, the ideal profile is a slight turn to the right, with certain obligatory bows toward social liberalism. In the TV beauty contest Westerberg wants to win first place.

Bengt Westerberg has two aims in his feverish striving for reliability.

In the first place the damaged reputation of the Liberal Party resulting from the turn to the left made by Gunnar Helen and Ola Ullsten together with Olof Palme must be repaired. This turn to the left is primarily symbolized by the Haga agreements, nuclear power cooperation and "that wonderful night," the tax agreement.

In the second place Bengt Westerberg is trying to exploit the political and personal suspicion which exists among nonsocialist voters against Ulf Adelsohn and Thorbjorn Falldin and the parties that they lead.

In the general political debate in the Riksdag Westerberg said, "A new realism and a new sincerity and honesty are needed in Swedish politics."

Falldin promised during his time to never load any nuclear power plants, and Adelsohn promised to reduce taxes and make other good gifts which have no basis in reality.

Since the change in leadership of the Liberal Party on 1 October 1983, the following has happened:

Bengt Westerberg has dug a deep moat against the Social Democrats. Political cooperation is impossible, in any case as long as Olof Palme is leader of the party. Palme makes no agreements for the good of the nation, only for the Social Democratic Party, according to Westerberg.

'General Haig'

Previous FP leaders had personal contact with Olof Palme. Bengt Westerberg has no such contact. And Palme has sneeringly called Westerberg "General Haig"--American hawk and doorman for President Nixon.

The Liberal Party relationship with the Center Party has become cooler, perhaps also more provocative. Bengt Westerberg considers the Center Party as an almost cultivated party of interest, primarily for farmers and the farmers economic union movement. Westerberg has implied that Falldin is prepared to do anything to become prime minister because of the row about the size of the arable land and the agreement on technical electoral procedures with the leader of KDS [Christian Democratic Union] Alf Svensson.

The young, well-dressed city dweller Bengt Westerberg is not a natural conversation partner with Thorbjorn Falldin, who has his roots in the fields and forests. Yet cooperation would be helpful between these two different personalities. Westerberg does not question Falldin's knowledge and ability, and Falldin does not question Westerberg's talent and his undeniable TV skills. Where Falldin is cumbersome and long-winded, Westerberg is quick and effective.

Similarities

Similarities are greater between Bengt Westerberg and Ulf Adelsohn. Both are typical city dwellers, they are the same age, they think alike, they both live in stylish parts of the city, and they associate privately.

In the communication between Westerberg and Adelsohn there is a sharp competition over the large horde of ordinary voters who move between the parties according to the spirit of the times and their own reflexes, and not according to political conviction.

In this situation there is an opportunity for Bengt Westerberg to invest in reliability. The other nonsocialist parties are larger and stronger and have greater resources in people and economic resources than the Liberal Party.

Westerberg's opportunity is primarily to win back the ordinary nonsocialist voter which FP lost in the last election to the Conservatives because of the wind blowing from the Left with Palme. FP has practically given up hope of winning marginal voters from the Social Democrat Party.

Bengt Westerberg pins his hopes of eroding the fringes of the Conservative Party on having given such a clear recommendation for a three-party government, even under Adelsohn's leadership, that he cannot be attacked from the right. Attacks from the left are just a credit which strengthens Westerberg's reliability in the eyes of the ordinary nonsocialist.

Unclear Profile

What reason is there to vote for the Liberal Party?

The Conservative and Center Parties have their main issues of interest, but FP's profile is both unclear and diffuse after 6 years in government with compromises on the right and the left.

What FP can boast about is the demand for more foreign aid and private rooms for long term patients and possibly a more modulated view of the role of the wage earner organizations in wage negotiations than the Conservatives with their Thatcherism.

Furthermore FP has its freedom manifesto with many fine words, a technically complicated proposal for family policy and a partly Conservative-inspired report on the public sector of the future. "The Forgotten Sweden" is the alibi of the social liberal in the promised land of the market economy.

That political strategy therefore has its obvious risks. Bengt Westerberg's slim hope is that the nonsocialist voters believe that Adelsohn is too oriented toward the upper classes, that Falldin is too interested in the farmer class, and that the Liberal Party, in the nonsocialist balance of terror, should function as a leveling and stabilizing factor within the bloc.

No Options

Ten percent of the electorate is a sufficient threshold for a little party to be able to survive in a coalition government led by a powerful Conservative Party and a well-organized Center Party. It would be almost miraculous if FP should make such a powerful advance in a single election.

But FP hardly has any more political options if there is to be a nonsocialist Riksdag majority. Theoretically it would certainly be possible to continue to lick its wounds in the opposition, but practically that alternative is hardly feasible.

That would require that FP now and then threaten to overthrow Ulf Adelsohn's Conservative Government, otherwise they would lose political influence. But FP would hardly survive the cannonade from the Right which that would lead to.

FP members can therefore say a secret prayer in their private rooms: that there will be a scant socialist majority in the election. Bengt Westerberg

would then have 3 years to build up the FP profile in the opposition, instead of compromising in a government which would rule during a new business decline.

Such an election outcome would probably mean that Falldin, after 15 years, would leave the party leadership, and for Ulf Adelsohn 3 years in the opposition would be extremely frustrating. Bengt Westerberg could easily advance from being the youngest nonsocialist party leader to being the oldest in the 1988 election

9287

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DEFENSE MINISTER ON HOME GUARD LEADERSHIP. MISSION

Copenhagen BERLINGSKE TIDENDE in Danish 21 Oct 84 p 2

[Article by Nils Eric Boesgaard: "Home Guard as Political Power Factor: The Military Chief, Defense Minister, the Political Commissioner and a Private Talk About This"]

[Text] The Home Guard can be used at any time as a political power factor by the government in office and the Folketing. The service's first commissioner, Frode Jacobsen, said this once, and his successor Poul Sogaard repeated it the other day in his office at general headquarters in Copenhagen's idyllic citadel.

This view is shared totally by Defense Minister Hans Engell:

"The Home Guard represents in the broadest sense a section of the population--age-wise, geographically, socially and politically," the minister says and adds: "As a combined organization the Home Guard does not thereby play any actual party politics role, but is an expression of interest in defense and of the desire to defend our country's independence. The broad surface of contact and influence which the Home Guard's 78,000 members have, however, means that over the years great understanding has been created for the organization's place and needs. It can perhaps be said that the Home Guard is the branch within the armed forces which has had the easiest time arguing for its own justification, and which also has been allotted increased financial resources. No politician occupying himself with the armed forces ignores the significance--attitude- and voterwise--which the many members represent."

Grass Roots

"The 'Home Guard Man, Model 1984' is just as conservative in his way of thinking as before. When he or she comes to hear the commissioner give a talk, they come to have their ingrained ideas regarding the Danish armed forces and security policy confirmed. And so it is that I think that it must be up to the politicians to change this view by means of the normal democratic process," Sogaard says, and adds:

"This is what I aimed at in the missile debate, for one thing. I believe we succeeded in gaining a hearing in the Home Guard for the view that we should

not unilaterally declare for a definite nuclear policy, but that we should work for the abolition of nuclear weapons," he adds.

"The commissioner, the former Social Democratic defense minister, gives the impression of being a man who has been converted by his round with the Home Guard people. He has made contact with the grass roots and is on a far more realistic plane than the circles in the Danish Social Democratic Party, who with Knud Damgaard and Lasse Budtz at their head are working to undermine Denmark's longstanding security policy and the credibility of the Danish armed forces," a private in the Home Guard says.

"But he has not obliged us far enough. Although the Home Guard people are not 'trigger happy,' we are in favor of defense and interested in doing as best we can the job which we have taken upon us. There are many here in the company who previously were good, steady Social Democratic voters in the conviction that the Social Democratic Party was an unshakable guarantee for a Danish security policy based on membership in NATO. Today they are hesitating and are uncertain whom they should give their votes to. Kjeld Olesen was a good defense minister in his time, but I did not think that very many, in spite of his kinship (Olesen's father was resistance man Anker Karmark Olesen, who was a cofounder of the Home Guard), will welcome him as the new commissioner; besides, there are too many who remember his vacillating conduct in connection with the missile resolution," he adds.

The 78,000 members of the Home Guard comprise the broadest imaginable section of the Danish population. It is almost 10 years ago since the last study of the occupation distribution was made, and it is known that the number of farm owners and less independent people has declined. They no longer have the time. On the other hand, the service has had a heavy recruitment of quite young people. They either drew a number releasing them from their military obligation at their induction examination and want anyhow to make an effort for the defense of their country, or they are attempting (because of unemployment) to put meaning into their lives by pouring themselves heart and soul into the Home Guard's work.

In Father's Footsteps

"It was precisely this attitude which manifested itself in an exchange of words I recently had with a young brewery worker in Odense during a meeting of the Air Defense Warning Corps," the new chief of the Home Guard, General R. Gottlieb, relates:

"I drew a number which excused me from military service, and then I got married." The young man related, "We got a child and a regular circle of friends. We talked a lot about serious subjects and it hurt a little when I saw friends set out to do their military service. I felt that should things go wrong I also had to be along. And the day after one more buddy had set off for Holstebro, I joined the Home Guard. My father in his time had been a member of the Air Defense Warning Corps, and therefore I chose also to enter it."

"This view is shared by at least two percent, and perhaps four to five percent, of the population, if Home Guard people's families are counted in. Most of them spend far longer than the time they obligated themselves to. They understand that freedom is not something we own but something we must show a will to fight to preserve," General Gottlieb adds.

The Home Guard chief complains that there is a shortage of leadership material in the service. "We have fewer of the typical leaders. Business's top people and those independently employed have a hard time sparing time to take part in Home Guard work, and this is unfortunate, for it is as a rule most often the leaders who are opinion-forming and who are able better to prevail with politicians."

Political Affiliations

It is difficult to form a reliable impression of the political affiliations of Home Guard people. But, taking into consideration the fact that 80 percent of them are wage earners, it is natural to assume that their political views are distributed largely speaking as they are in the rest of the population, with the exception that there is probably a right wing with expressed military tendencies.

The 'trigger happy,' Poul SØgaard calls them, and a doubtlessly somewhat smaller left wing, where one can find both Socialist Left Party members and communists.

"But I do not think that there is anyone in the Home Guard who seriously plans to use the organization and weapons for a coup or revolution," the commissioner says. "A few years ago we had a case on Bornholm with two leftist activists, but they were frozen out by their buddies. All in all, it is hard to get on with extremist viewpoints in a Home Guard company. The others will quickly get wind of individual points of view and step in," he says and points out that this watchfulness is not directed toward the left wing alone.

When UGEAVISEN KØBENHAVN [COPENHAGEN WEEKLY] in words and pictures attacked the Home Guard for spying on demonstrations and protests, Poul SØgaard maintained immediately, clearly and plainly in the magazine's own columns, that an activity such as the one alleged was totally unthinkable, and that any form of spying would result in the guilty party's immediately being dismissed from the Home Guard. That it at the same time was asserted that the allegation in KØBENHAVN had been falsified is a completely different story.

"As a Home Guard man for over 15 years, I have myself been in a group with people from both the Socialist People's Party and Single Tax Party," Defense Minister Engell says.

"But there is not much talk of politics in the everyday life of the Home Guard. They get together to train and to solve the problems given to them--besides for the good fellowship."

"In the larger context, the breadth of the Home Guard certainly signifies that it has been a politically uniting factor and contributed to political cooperation, not just regarding the Home Guard, but regarding the armed forces as a whole--which has prevented a polarization of the armed forces debate."

"But," Hans Engell concludes, "we must of course also not overestimate this significance. The--fortunately many--Social Democrats who are active members of the Home Guard have certainly not been able to influence the Social Democratic Party's security policy course in the larger context, although they quite certainly are helping to hold the Social Democratic Party to responsibility for the Danish armed forces."

8985

CSO: 3613/26

FOLKETING DEFENSE COMMITTEE APPROVES NATO INFRASTRUCTURE GRANT

Copenhagen AKTUELT in Danish 25 Oct 84 p 3

[Article: "Five Hundred and Eighty-Five Million for NATO Installations in Denmark"]

[Text] A majority of the Folketing's finance committee has said yes to a petition from Defense Minister Hans Engell (Conservative Party) for a total appropriation of a good 585 million kroner for NATO's joint-financed infrastructure program. One hundred and fifty million kroner represent a further Danish contribution to the infrastructure program, while the remaining money is for various installations in Denmark as an element of the program.

The Danish contribution to the infrastructure program for the period 1980-84 will amount to a total of 1.1 billion kroner, of which 26.7 million kroner alone, in accordance with the Folketing resolution of 7 December 1982, can be used as a contribution toward the deployment of cruise missiles and rockets in West Europe.

Work to the tune of about 280 million kroner which will later be refunded by NATO is to be carried out this year in Denmark as part of the program. This will include ammunition depots, fuel installations and facilities for the receipt of air reinforcements at two Jutland air stations, the establishment of HAWK air defense installations on Funen and Stevns, the procurement of coastal radar equipment for Bornholm and Anholt, and improvements on the NATO pipeline in Jutland. In addition, 40 million kroner extra for an automatic command, control and information system, and 88 million kroner for national overhead expenses.

The Socialist People's Party and the Radical Liberals were opposed in the finance committee, while the Social Democratic members said yes with a provision which says that Danish appropriations for the infrastructure program must not be used for the deployment of medium-range missiles in West Europe.

8985

CSO: 3613/26

NATO COMMANDER WARNS SDP CRITICS OF NATO

Copenhagen BERLINGSKE TIDENDE in Danish 31 Oct 84 p 7

[Article by Nils Eric Boesgaard: "Harsh NATO Criticism of Danish Armed Forces; Social Democratic Party's Nuclear Policy Can Cut Denmark Off from NATO Reinforcements"]

[Text] "I am disappointed that the Danish armed forces budget has been reduced," said the chief of NATO forces in West Europe, American General Bernard Rodgers, when he earlier in the fall visited Denmark in connection with the "Bold Gannet" exercise. "If the Danes continue with cutbacks, we will reach the point where they will not be able to carry out their mission."

It is this point which the Danish armed forces will reach if the Social Democratic Party during the security policy debate in the Folketing tomorrow forces through its prohibition against reinforcements in a crisis or war situation bringing along their own nuclear weapons.

Rodgers expressed only what so many others recognized long ago: "If Denmark does not maintain credible armed forces, we will not be able to count on other countries in the alliance coming to our rescue--and we must not think that we will thereby escape a nuclear Armageddon. The Russians will go in and out of the Danish straits and it is naive wishful thinking that anyone--the USA or the Soviet Union--will show consideration for Danish peace declarations or proclamations regarding nuclear-free zones."

"It is largely speaking not a question of war, but of preserving peace, and experience from the almost 40 years which have passed since Nazi Germany's collapse shows that this is done best by maintaining credible preparedness which discourages the other side from conquest adventures--what is called by an unpleasant phrase the 'balance of terror.'"

That the government's constrained attitude toward, among other things, the financing of NATO's medium-range missiles roused enthusiasm in the Kremlin cannot surprise anyone. This was unequivocally expressed in the Soviet army's journal KRASNAYA ZVEZDA [RED STAR], which earlier in October criticized the Americans for putting pressure on Denmark.

If the Social Democratic Party carries out its threats, it will be the party's last and most decisive break with the Danish security policy, which since the end of the 1940's has been based on NATO cooperation, which 63 percent of the population still rallies behind. It is difficult to predict what this will mean for our continued membership, but it will doubtlessly entail radical changes in the reinforcement agreements hitherto.

These agreements are based on a broad political compromise entered into in the years 1973-84, and are to the effect that practical measures are to be taken in peace time for the receipt of reinforcements. It has all the time been pointed out that nuclear weapons are not to be stationed in Denmark under the present conditions, but it has just as certainly been implied that a reinforcement force could have such weapons at its disposal.

This concerns, among other things, the so-called COB agreement, which was renewed most recently in 1977, and according to which American air reinforcements can use Danish airfields.

The most important of the agreements is, however, that entered into with NATO regarding the landing of the Allied Mobile Force, the so-called "Fire Brigade," which will preferably include a 13,000-man British and Dutch marine force, and whose effectiveness was tested most recently during the major exercise in September.

The advantage of this force is its permanent preparedness, which makes it possible to begin a reinforcement operation on very short notice. At the same time a landing force will be able to be kept ready in the so-called gray period--while negotiations are still under way--without having an aggravating effect on the situation.

But to what extent the Americans, British and Dutch will be ready to bring manpower, ships, planes and materiel into play will depend to a considerable degree on the Danes themselves being prepared to make an effort to safeguard the landing.

On the other hand, on the part of the left wing they have done what they could to trip up the reinforcement plans. One thing which it has never been possible to accomplish has been the construction and organization of depots with ammunition and heavy materiel for the reinforcements. This was a project which then Prime Minister Anker Jørgensen accepted and signed to at the summit meeting in Washington in 1978, and which then Social Democratic foreign affairs minister and defense minister Kjeld Olesen and Poul Søgård at the end of the 1970's argued strongly for. In the end, however, they let themselves be frightened by the Radical Left Party, the Socialist People's Party and the Socialist Left Party, and thereby introduced the armed-forces- and NATO-hostile policy which has characterized the party as the opposition party.

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NEW ARMED FORCES COMMANDER LIND ON NATO, DANISH ROLE

Copenhagen BERLINGSKE TIDENDE in Danish 3 Nov 84 p 6

[Article by Nils Eric Boesgaard: "Danish Soldiers Still To Be Relied On"]

[Text] General Otto K. Lind: Will make it his job to strengthen the Danish armed forces' self-respect and ensure respect among the NATO allies.

"It has been a relief to state that we have not entered into a new negative development but have had it established that the resolution motion of 3 May is the continued basis for Denmark's security policy," the new armed forces chief, General Otto K. Lind, said yesterday to BERLINGSKE TIDENDE, the day after the anticipated Social Democratic assault against the non-socialist government had ended in a so-called "soft landing."

"In the last few years Denmark has had a little difficulty in abiding by the solidarity which otherwise has characterized NATO cooperation. There has been some rough cutting up, not just behind closed doors, but also publicly, here at home. It is as though the plain foreign policy questions in the alliance have been used as a basis for playing domestic politics. Now we must hope that this time is past so that we can re-establish our credibility," the armed forces chief says.

General Lind took charge as armed forces chief on 1 October. On 28 November he will be 64, and he has been an officer since 1943. During the war he took part actively in the resistance movement and was taken prisoner by the Gestapo, who, among other things, used him as a hostage during railway shipments through Denmark. In recent years he has been chief of the Eastern Provinces Command, as well as chief of the army's operational forces and the southern part of NATO's northern region. He is the first general in the Danish armed forces to wear the new general's badge of rank on his epaulets--two crossed marshal's batons with a crown on top.

Preventing War

[Question] How do you look at the problem area of Denmark and nuclear weapons?

[Answer] "The whole thing is in reality a discussion regarding NATO's superior-ranking strategy, which Denmark, too, accepted in 1967," the general says. "NATO was established to prevent war, and this assumes that there is a possible attacker. In this connection I would like to point out that I, just as many others in NATO, do not believe that there is a little group of people sitting in Moscow who are coldly and cynically planning a Third World War. But then the question is why they are using such colossal amounts of money on arms. Former American Secretary of State Henry Kissinger said in his time about this subject that the Soviet Union at some point in time will transform its military strength into foreign policy advantages."

"That is," General Lind continues, "that it must be feared that they one fine day will be able to begin political pressure supported by demonstrations of military power in order to achieve their purposes. And if it is acknowledged that this can be correct, then the discussion must go beyond nuclear strategy, for then it is a question of to what extent we want to accept the Soviet Union's social system, or to what extent we still believe that our system is better. Do we still believe that the French author Camus was right when he said, 'Freedom involves the possibility of improvements; slavery contains the certainty of deterioration?' If it is agreed that our society, regardless of its many shortcomings, is the only real sure stage for improvements for humanity, then it can be reasonable enough to continue to take this as a basis for one's thoughts, also if one belongs to peace protest movements."

Conventional Armed Forces

"If it is agreed that we would like to preserve our form of society, then it will be reasonable on this basis to discuss NATO's continued strategy, and it must not be forgotten in this connection that a discussion regarding a limitation of strategic nuclear weapons must presuppose a strengthening of conventional armed forces for the balance to be able to be maintained."

"And then I would like to emphasize in this connection that going alone in our region concerning the creation of special nuclear-free zones is in my opinion a very risk-filled business, which can only serve the Soviet Union's interests."

[Question] How do our allies look upon Denmark's credibility?

[Answer] "The Danish armed forces through the years have displayed an ability to wring quite a bit out of the budgets which have been at their disposal. I did not, during the custody of my former post as COMBALTAP chief for NATO forces in the Baltic Sea region, receive any information whatsoever of lack of confidence in the Danish armed forces, neither from the American and British air forces, nor from the British land forces, who are to come to our rescue in a crisis situation. None of them ever let it be apparent that they believed that the reinforcement agreements should be taken up for renewed consideration, and I do not believe that there are any intentions in this regard."

"But we must be cautious if we want to avoid a negative effect in the longer term, because we are still acting in such a way that we are perceived as less solidary, both in the economic and the political area."

[Question] Is the new armed forces compromise satisfactory?

[Answer] "I certainly believe that I must be permitted to say that the money is too little, and I believe this especially because we never figured out how we are to manage the dropping of weapons aid. In this connection, I would like to recall the little armed forces compromise in 1966, in which the four old parties agreed that the armed forces budget should be increased by 400 million kroner a year in order to compensate the repeal of weapons aid. We never received this money, and it is for this reason that we have had a surplus of unfulfilled replacement purchases to push ahead of us. There is a limit to how long it is possible to use from one's preparedness stores, which are really intended for use in a crisis situation. I hope that with the money we have now received we can stop this development and begin a modest rebuilding of stocks. It is quite certain that one of my jobs will be to create an understanding of the fact that the armed forces are one of those areas which we must prioritize on the basis of the general motto that the greatest social benefit which a government can give to its people must be the right to live in peace."

"The money is little and it is also too little if we are to solve the problems which are incumbent on us in the way which we ourselves deem proper. It is necessary to increase the air force's flying time per pilot. We have gotten modern planes. They can do a lot, but then we must also be certain that our pilots are trained to be able to use them. And so, we must reach the minimum number of hours, i.e., 180 hours a year. We are in the process of a reassessment of the army's peacetime function, with a view toward creating a military force of sufficiently good quality, and in this connection there is reason to be happy that we have gotten 12 months of compulsory military service introduced for fighting troops and engineering troops."

[Question] How does the draft generation today look at the armed forces?

[Answer] "We got our enlisted privates in 1973. We are pleased with them. This entailed the fact that we reduced the number of draftees and this created some problems of fairness. We are sorry about this. It also created an automatic improvement of the draftee force which we called up. The number of conscientious objectors dropped drastically. The general attitude among our draftees today is so positive that it is extremely encouraging. This is associated, among other things, with the fact that young men learn at their induction examination that they themselves can choose--for the most part--the time and the garrison into which they will be called. In light of this, young people turn up with a very positive attitude. Then, it would be possible, if one wished to be a little sceptical, to say that this certainly has something to do with unemployment. We cannot deny this, but then we are happy that they would rather enter the armed forces than be idle."

[Question] You will have only 14 months as armed forces chief. What do you hope to accomplish in so short a time?

[Answer] "When we now look at the budget's 11.5 billion kroner, it must be possible for us in the armed forces, among the population and among politicians to create the impression that with this money we will be able to create a reasonably good defense system and thereby strengthen self-respect in the Danish armed forces, which is a prerequisite for our being able to preserve the respect we enjoy among our allies. If one compares bataillion for bataillion, squadron for squadron and ship for ship, the Danes really seem to be getting something quite sensible out of their millions," the armed forces chief says, and concludes, "It is this respect I will work to maintain, and I believe we can do this with the money we have at our disposal."

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DETAILS OF 'JUPITER-84' PORTUGUESE-SPANISH EXERCISES

Lisbon DIARIO DE NOTICIAS in Portuguese 30, 31 Oct 84; 1, 2 Nov 84

[Four-part report by Jose David Lopes]

[30 Oct 84 p 17: "'Oranges' Invade Iberian Peninsula and Are Checked at the Banks of the Douro"]

[Text] Portuguese and Spaniards were involved in a "war" for about 1 week in the district of Braganca but against a common "enemy" and there was no great final victory. What was sought, rather, in the framework of the Jupiter-84 exercise organized by the Portuguese Air Force (FAP), was to "evaluate the operational readiness of the units and to practice air forces/ground forces coordination." The results were not always what was expected and it is up to the general staffs to derive the necessary lessons from them but FAP officials considered the action in general as "very positive."

They were civilians a couple of days before and their return to the ranks would not last much longer but in that sun-drenched, tramontane afternoon, perspiring under the paratrooper's camouflage uniform and grasping the Galil with the ease of someone who never forgot how to handle a weapon, they remembered the gestures and postures interrupted 3 years ago and awaited the order to advance on the "enemy" positions, at that moment hammered by intense mortar fire, missiles and rockets.

It was the next to the last day of the Jupiter-84 exercise which the air force conducted in the district of Braganca during the past 16th to the 23d, and the two companies of 226 reservists of the Paratroop Corps (CTP) occupied a stretch of ground near Lagoaca hill half-way on the Mogadouro and Freixo-de-Espada-a-Cinta highway. Incorporated into a reserve battalion, the companies would not take an active part in the "assault" and "taking" of the hill, only later proceeding to the objective, but air force authorities considered their participation in those exercises "extremely important"--exercises which mobilized about 2,500 men on the ground and a large number of personnel of that branch of the armed forces spread out over bases and other installations.

The reservists were members of the forces called upon to check the "enemy" advance, represented by the "Orange Forces," along the valleys of the Douro and Eresma rivers between Foz Coa and Segovia, in an operation in

which the Spanish Air Force and Army collaborated. The scenario conceived for this "war" was included in supposed hostilities between the "Orange Bloc" and the "Blue Bloc" which were going on in Central Europe since the middle of this year. In the wake of those hostilities, the "Orange Bloc" decided to open a new front in the Iberian Peninsula, making an amphibious landing in the areas of Malaga and Cartagena. From those bridgeheads, according to the information distributed by the Air Force General Staff, the "Orange Forces" launched an offensive toward the north in the direction of Madrid, having been checked at the end of September by the "Blue Forces" along the line delineated by Al Coy-La Carolina. In the beginning of October, the "Orange Forces" launched a new offensive with the objective of capturing Madrid, through encirclement, and Atlantic coast ports.

Exercise Jupiter-84 emerged in the development of that offensive when the "Blue High Command" decided to safeguard the Madrid region and the Atlantic ports, check the advance of the enemy along the Douro and Eresma valleys and launch two flank attacks in the direction of Vila Nueva de la Serena, starting from Estremoz and Ciudad Real, with the objective of the cutting the flow of support reinforcements to the "Orange Forces."

In the part that directly concerned Jupiter-84, the exercise centered essentially in containment of the advance in the valleys of the aforementioned rivers and took place in the areas of Macedo de Cavaleiros (Izeda), Miranda do Douro (Sendim), Torre de Moncorvo, Mogadouro and Lagoaca. The following assumptions were also taken as a point of departure: the "Blue Forces" held naval superiority in the Atlantic and the "Orange Forces," in the Mediterranean; neither of the contenders had the intention of being the first to use nuclear, bacteriological or chemical weapons; and, in general, the civilian population was hostile to the "Orange Forces."

Paper Attacks

Offensives and counteroffensives, attacks and counterattacks, "enemy" concentrations and other actions of this hypothetical war hardly disturbed the peaceful routine of the tramontane countryside, especially since practically the majority of them occurred on paper or were simulated with a small number of men, notably of the "Orange Forces."

The "Blue Forces" were represented by a supposed 3d Airborne Division to which the Paratroop Brigade belonged and which moved almost all of its forces to the theater of operations. With a command and general staff, the brigade included the 11th Paratroop Battalion (reinforced with two companies of paratroop reserves), the 21st Paratroop Battalion, the 31st Paratroop Battalion (reinforced with a company from the Spanish Paratroop Brigade), the Air-Ground Operational Group, the Support and Services Operational Group, a Heavy Mortar Company, an Antitank Company (equipped with Milan missiles and Carl Gustav rocket-grenade-launcher) and a Communications Company.

For air units, the "Blues" had Portuguese Air Force T-38's reinforced by Spanish Mirage F-1 planes of Wing 14 of the Albacete Air Base, A7P planes of Squadron 302 of Air Base 5, C-130 planes of Air Base 6 reinforced with Spanish C-130's of Wing 31 (Saragossa), C-212 planes (Aviocar) of Air Base 3, Alouette III helicopters of Air Base 6 reinforced with six BO-105 helicopters of the Spanish Army, Alouette III helicopters of Air Base 3 and SA 330 (Puma) helicopters of Air Base 6.

The "Orange Forces" were represented on the ground by a Paratroop Company (representing a battalion) and the planes that were attributed to them symbolized planes in use in the Warsaw Pact: Fiat G-91's of Air Base 6 simulating the Sukhoi 7, Spanish F-5's of the 21st Wing simulating the MiG-23 and C-212 planes of Air Base 1 and Air Base 3 representing the AN-30 and AN-12 planes.

As regards the air component, a total of 60 planes and helicopters were involved but the activity of the exercise did not encompass only the operational personnel. According to Lieutenant Colonel Silva Calhau, coordinator of the Central Planning Team for Air Operations, the exercise also made it possible to evaluate and train other FAP personnel engaged in the command and control system, radar, logistics, etc.

A typical action could involve all of those components. For example, the coordinators of the exercise might input the information that an "Orange" armored column had been spotted at a certain place.

Helicopters might take off from the tactical base installed in the zone of conduct reconnaissance (or that reconnaissance might be requested from "friendly" planes equipped with cameras). The "enemy" would be located and the attack order would involve AL-111 and BO-105 helicopters but, these not being sufficient to "annihilate" the column, assistance would have to be requested from a "Blue" air base, which would send A7P ground-attack planes, for example.

Not a single shot would be fired in this operation: the armored column was simulated by two or three vehicles and helicopters and planes would be limited to flying over the "enemy." But the execution of this action would make it possible to verify the operational capability of all the sides involved and to utilize the fact of having planes in the air in a large stretch of the Castelo Branco region to simulate interception actions by "Blue" and "Orange" planes with the participation of radar stations located quite distant from the area in which Jupiter-84 was taking place.

In this war on paper, the operations were not always won by the "Blues" although the "argument" indicated that it would be its final battle. As a matter of fact, it was not a matter of having victors or vanquished, rather, of testing the forces involved and the final balance of the exercise translate into maintenance of a status quo, with the "Blues" and "Oranges" occupying the lines that were assigned to them, as we shall see in the last report in this series.

Tomorrow: "The Help of Bad Weather"

[31 Oct 84 p 14: "Rain Was the Worst Enemy in the Operations But Difficulties Were Overcome"]

[Text] Exercise Jupiter-84 began well, with all the paratroop drops and movements of personnel going according to the plan of operations but the weather service had already advised that the good weather was going to change. It rained for almost 30 hours; departures of planes and new drops were canceled; the roads and camps were transformed into large quagmires, communications were impaired. However, the "war" did not stop and the bad weather ended up proving to be useful since it contributed to testing personnel and equipment under adverse conditions.

The night was clear and calm and the population of Sendim and of Izeda were already sleeping when the High-Altitude Operational Jumpers (SOGAS) and the Precursors, the latter having the mission of establishing and staking out the launching zones for later waves of paratroopers, dropped silently in the fields selected earlier by reconnaissance. It was Wednesday, 17 October, the day designated as E-1 in the planning of exercise Jupiter-84.

The previous day, forces transported in auto-columns had already moved to the action zone and the command and support bases were already established at the time the first paratroopers jumped from the planes. The air force had concentrated near Azinhoso in the Tactical Base where the command of the 3d Airborne Division, the Air Support Operations Center (ASOC), the management of the exercise (Distaff) and support services operated. The latter, from communications to logistics, included the first attempt at computerizing various data related to execution of Jupiter-84: personnel, movements, consumption of fuel, etc. For its part, the Paratroop Brigade had installed its respective command, its Distaff and Support and its Services Operational Group (GOAS), the latter responsible for all of the logistics part, in separate places.

Early in the morning of Thursday, E-Day, the first waves of paratroopers dropped in the zones of Sendim (31st Paratroop Battalion, with the 12th Company of the 3d Ensign, of Spain), and Izeda (12th Paratroop Battalion, incomplete, and 21st Paratroop Battalion), but it was not possible to drop two other waves because of the worsening weather conditions. It was raining at around 1200 hours and this weather condition would last until midafternoon of the following day.

From the jump zones, the battalions proceeded to the points that had been assigned to them, going in helicopters or proceeding on the ground: occupation of the Macedo de Cavaleiros-Miranda do Douro highway, occupation of the Macedo de Cavaleiros airport, the Peredo road junction, the Remontes Bridge and the Picote and Bemposta dams, among other points.

Difficult Night

The afternoon and night were difficult for all the participants in the operations but the personnel installed in the bases at least had the relative comfort of a tent while the paratroopers established themselves as best they could, in the open, "soaked to the bone," in the words of one soldier, who on Saturday morning had not yet managed to completely dry out his equipment.

However, the storm also affected many who thought to spend the night out of the weather. Early Friday, the intense rain and strong wind caused various tents to be invaded by water, while in the Tactical Base it was necessary to protect some helicopters from the high winds out of fear that they might be overturned.

Meanwhile, various missions of the FAP and the Spanish planes--the program called for 320 flights during the exercise--were canceled, however, without jeopardizing "maintenance of local air superiority" called for in the planning of Jupiter-84. One of the missions was essential to the proper development of the operations and was intended to reinforce the ground forces--dropping the men and materiel of the Heavy Mortar Company by parachute. Consequently it was necessary to postpone it and resort to alternative means to place that subunit in the zone of action that would be assigned to it.

Essentially, everything worked out but there were some problems with communications in the final phase of the exercise, as was mentioned at a briefing attended by the chief of the Armed Forces General Staff, General Lemos Ferreira, which led the latter to comment: "It was good that it rained." He was referring to the way the problems ended up being overcome either by using alternative means of transportation or the wire communications system which the Paratroop Brigade set up linking the various bases of operations.

Invisible Enemy

The "Blue Forces" had a bad time during those 30 hours of rain but the "enemy," even though invisible, also suffered the effects of the bad weather, keeping some planes grounded. In addition, the "Blues" successfully jammed his radio communications, using electronic warfare means.

However, the relative "invisibility" of the "enemy" did not prevent it from launching real threats against the "Blues" through the hand of the officers of the Enemy Forces Arbitration and Simulation Group incorporated in the Distaff. In a typical action, one of these officers might approach a "Blue" company commander and hand him an envelope inside of which a message reported that his forces were being attacked by "Orange" forces established on a facing hill. These forces were the object of an elaborate code system which transformed three or four men into a platoon or a company, and a vehicle in which they moved into armored vehicles. The arbitration officer would then observe the arrangement which the company commander would choose for his defense or to launch a counterattack, classifying it according to the action taken. Let us say that if the

company commander would choose to attack the enemy--which a code flag would reveal also to be company strength--with only his own troops, he would receive a negative grade, because only with forces in considerably superior number to those of the "Oranges" could he have the possibility of success. He would receive the same result if, for example, he forgot to ask for air support to neutralize the armored vehicles in the case of not having missiles or antitank rockets, or they were considered insufficient by the arbitration official.

Beyond thier immediate objects--such as testing command and control systems, planning capability, tactical capacity of elements involved in execution tasks, etc--this type of exercise has the added advantage of a great savings of means, with the necessary reflection in the cost of operations, as one of the officers in charge told the DIARIO DE NOTICIAS. That officer emphasized that Jupiter-84 did not require any additional appropriation because the expenditures related to the exercise were part of the normal air force budget. Without the spectacular nature of the maneuvers that as a rule involve equal numbers of men and equipment for both contenders, Jupiter, nevertheless and as usual, achieved practically the same objectives and in such a way that in future editions, it is possible that other branches of the armed forces may come to participate in it.

The effectiveness achieved in this exercise, however, leaves open the real operational capability of the forces involved in a situation in which the attacks, the offensive and defensive actions, were not simulated--not at the human level but above all as refers to equipment; and the other branches of the armed forces may also suffer from this ailment. In an exercise such as Jupiter, in which the air component was of the greatest importance, there was no system of defense against aircraft (except for the simulations of interception), which would leave the ground forces, including the Tactical Base, at the mercy of any "enemy" attack. But, we were told, the air force does not have those systems, the costs of which, moreover, are extremely high. All that remains is to train with what exists and with all possible conviction.

Tomorrow: "Helicopters Are the Stars."

[1 Nov 84 p 13: "Helicopters Were Basic Pieces in a 'War' Dependent on Movement"]

[Text] The extraordinary mobility which the helicopter provides was one of the most significant aspects of the Jupiter-84 exercise organized and conducted by the operational command of the air force and by the Paratroop Corps. In the transportation of troops, in reconnaissance or attack missions, the helicopter was one of the most used air means in the "war" which for 1 week pitted "Oranges" against "Blues" on the peaceful and rustic tramontane stage.

It was a beautiful, sunny morning after more than 24 hours of bad weather and the commander of the 211th Paratroop Company of the 21st Paratroop Battalion had sent out a small reconnaissance platoon which was going to

establish itself on the half-slope of a hill near the Remontes bridge. The company, together with the 212th Paratroop Company of the same battalion established on the other bank, had been given the mission of occupying that important crossing point on the Sabor River to interdict the "enemy" advance, and recent instructions ordered a link-up with the 212th to occupy new positions intended to check the "Orange" forces of the 3d Mechanized Division, which had broken through the "Blue" lines between Foz Coa and Bruco.

In the meantime, the "enemy" was near. Reports arriving at the command of the Paratroop Brigade indicated that the "Oranges" might try airborne or airmobile actions and/or rearguard infiltrations. Thus, the "Blues" should conduct actions to restore the frontline with ground and air infiltration operations in order to destroy "enemy" objectives. But in exercises as in a war, things do not always go according to plan and the two companies of the 21st Paratroop Battalion suddenly found themselves before a situation they had not counted on.

The jeeps of the reconnaissance platoon were leaving the company command area when a strong explosion, symbolized by the bursting of a smoke-pot, destroyed the bridge: a small "enemy" sabotage team had infiltrated the "Blue" lines and had cut the communication between the two banks of the river, now making impossible the joining of the two companies and the development of the operation planned.

The bridge would be rebuilt later by the Engineer Corps but operational requirements made it necessary to request a night heli-transport to link up the two forces. The Air Support Operations Center (ASOC) was informed of the request and early that night the helicopters flew to the site.

The night use of those planes is always difficult and the Portuguese Air Force rarely uses them under these circumstances but "war" has its own demands and the mission was executed successfully, transporting the men from one bank to the other in an operation not without risks. As a matter of fact, in the darkness, one of the planes, an Alouette III bumped into high-tension cables and only the extraordinary expertise of the pilot prevented a serious accident. The violence of the impact was such that the right front part of the cabin shattered making it necessary later to replace the transparent panels with a metal plate, in a repair made at the Tactical Base itself.

Good Cooperation, Says Spanish Captain

Another heli-transported operation involved a platoon of the Spanish Paratroop Company incorporated in the 31st Paratroop Battalion. This battalion, reinforced with a platoon of Milan antitank missiles, had established its headquarters at the Mogadouro railroad station and had as its mission, after having secured the defense of that zone, conducting ground and air infiltrations to destroy "enemy" objectives, after which it would move to a new assembly zone in the region of Castelo Branco (Braganca). However, it was necessary to gather into the battalion a platoon of Spanish paratroops which, since the beginning of the "war," had been occupying the Picote dam.

The pick-up was made in a clearing near the dam and began with the arrival of a team of Precursors to mark and prepare the landing site. When the first helicopters approached, a smoke-bomb was set off to indicate not only the landing field but wind direction, but the two planes, and AL-III of the FAP and a BO-105 of the Spanish Army, only had the mission of providing protection of the transport against possible "enemy" forces and remained flying over the area until the whole platoon was evacuated.

The Spanish paratroops remained close to the trees while the helicopters landed and ran to the planes as they arrived. The helicopters remained on the ground only a few seconds and in less than 5 minutes the whole platoon had boarded, bound for the Mogadouro station.

At the station, Captain Terol, commander of the Spanish company told DIARIO DE NOTICIAS that he was quite pleased with the way the exercises were going. "The cooperation has been excellent, whether at the military level or that of the civilian population," he declared.

Successful Attacks

The 31st Paratroop Battalion and the Spanish company also conducted other heli-transported actions that day and the following day in fulfillment of the operational plan, forcing the "enemy" to retreat to the south and establish itself in the region of Lagoaca, but the actions of the helicopters during that period were not limited to the conduct of the "war", they also performed the evacuation of a paratroop officer injured in a vehicle accident, a hunter wounded by a wild boar, and a child.

In the meantime, the "enemy" suffered "losses" in the order of 30 percent in men and materiel and the reports that reached the "Blue" command indicated that it was establishing itself on the northern bank of the Douro River, in the Peladinhas-Lagoaca line. It was a hectic weekend but the population hardly noticed the "war" that was going on alongside it. As a matter of fact, the big "war" belonged to the hunters, who took advantage of Saturday and Sunday to fire at anything that moved, and theirs were the only shots that were heard in the region.

The successful "attacks" of the "Blues" were really easier to follow on the map, or following their movements, inasmuch as a relative silence surrounded the exercise from the beginning. With the exception of a few shots of simulated rounds, the use of any ammunition or explosive in the terrain was prohibited, in part to prevent accidents, in part to reduce expenses and also because of the very nature of Jupiter.

The "war" was approaching its end with the objective of restoring the Front Rim of the Resistance Zone (OAZR), which had been broken a few days before by the "Orange" offensive. Planes and helicopters were in constant activity, taking advantage of the good weather conditions, and the last paratroops arrived at the action zone, dropping in the Izeda

region to reinforce the 11th Paratroop Brigade in three successive waves, transported by Portuguese and Spanish C-130 planes. In Braganca where they had been taken by plane, the two companies of reservists proceeded to the theater of operations in an auto-column. But, as we shall see tomorrow, the "enemy" did not give up.

Tomorrow: "Secretary of State Is 'Bombed'"

[2 Nov 84 p 15: "'Bombing' Demonstrates Effectiveness of Paratroop Corps"]

[Text] Whoever goes to "war" is never safe from a surprise attack: ask the secretary of state for defense and other high-level personalities, "victims" of a "bombing" as they were listening to an explanation about exercise Jupiter-84 in a tent of the Support and Services Group (GOAS) a few hours before the grand finale, which would dislodge the "enemy" from the positions it had occupied. The "attack," it may be said in passing, did not disturb the briefing but it changed lunch plans and helped to demonstrate--perhaps it was planned for that purpose--the capability of rapidly evacuating an installation in case of necessity and change it to another site.

The "bombardment" of Lagoaca hill was the decisive blow against the "enemy" in the "war" that pitted the "Oranges" against the "Blues" for 1 week in the district of Braganca but the operations would continue for another 24 hours with the assault and occupation of that position while the invading forces retreated to the lines prior to their "offensive."

The "enemy" had been "bombarded" previously in actions intended to interdict the battlefield to him and to impede his progress until the combined attacks of the air and ground forces checked him in a first phase, and forced him to reorganize in the Lagoaca region in a later phase. The Paratroop Brigade was then assigned the mission of taking Lagoaca hill and another important point, attacks which were turned over to the 31st and 21st Paratroop Brigade, with the 11th Paratroop Brigade being held in reserve.

In the meantime, the strong "Orange" disposition and the armor he possessed forced a prior preparation, which was begun early in the afternoon of Sunday, the 21st, with a barrage of 120 mm mortar shells on the "enemy" antiaircraft artillery positions. Shortly before that, the Heavy Mortar Company of the Paratroop Brigade had been heli-transported to the zone of operations with all equipment and set itself up in a battery in less than half-hour, immediately beginning the bombardment. Movements of "Orange" armor were then neutralized by the accurate fire of two Milan missiles--an antitank weapon teleguided by means of a fiber connected to the shell--the air force then entering the fray with rockets fired from Alouette III helicopters and HOT missiles fired from two Spanish BO-105's. Indicated objectives on the side of the hill were also hit by rockets from the Spanish F-5's and finally, it was the task of the FAP A7P's to fire their rockets with remarkable accuracy against the target assigned to them.

From Civilian Life to the Exercise

Established nearby, the paratroop battallions awaited the end of the real fires and the signal to advance to take their objectives. Incorporated in the 11th Paratroop Battalion, as was mentioned in a previous article, were two companies of reservists called up for Jupiter-84 by the command of the Paratroop Corps.

The 226 men--officers, sergeants and enlisted men--reached the exercise zone on Sunday afternoon and were welcomed by Brigadier Hamilton Almendra, commander of the Paratroop Corps, who stressed that this was the reservist call-up that had met with the greatest response since the integration of reservists in this activity has been practiced. For Jupiter, about 250 reservists were called up, and only about 10 failed to appear, the remaining absentees having requested and been granted exemption. Commenting on the high percentage of response, Brigadier Almendra said that it illustrated the fact that "once a paratrooper, always a paratrooper" owing to the high esprit de corps created in the unit.

The reservists left for their positions after dinner, not differing at all from the other paratroopers except for the cut of their hair (or long hair) not at all regulation which many wore. They would participate, as we mentioned, in the advance toward Lagoaca after the bombardment and in the confraternization party and final march-by, which marked the end of Jupiter-84, returning afterwards to civilian life.

Surprise Attack

The reservists were received at the GOAS, the site for the briefing late Monday morning, which was intended to provide information about the exercise to the secretary of state for defense, a group of auditors of the national defense courses, the deputy chief of the Air Force General Staff, and the commander of the Air Force Operational Command, among other personalities. The briefing was to be followed by a lunch but the program was suddenly interrupted by an "attack" of "enemy" planes, simulated on the ground by the detonation of a petard.

The briefing proceeded but the GOAS, the target of the "bombing," was forced to move to another site. In a trice, camouflage nets were removed and tents dismantled, including the kitchen and mess tents. Everything was loaded on vehicles, which left immediately to a new position. A little over half-hour later, when the visitors reached the site, everything was ready to receive them--including lunch.

Invited guests, among them local officials of the region later proceeded to a hill facing Lagoaca from which they observed the real fires mentioned above.

Contact With the Population

Meanwhile, officers of the air force and the Paratroop Corps (CTP) emphasized to DIARIO DE NOTICIAS that an important component of these exercises was the contact with the local population and the care taken in the prevention of any accident and the payment of possible damages.

Before the exercise was held, the local officials in the region received information about everything that was going to happen and the populations most directly concerned were also contacted, specifically the property owners of the lands where installations were set up and the residents near the Lagoaca zone. To assess any complaints regarding damages caused by the exercises, there was a commission incorporated in one of the departments of the exercise (Distaff) authorized to pay them immediately if there was immediate agreement on the amount demanded.

At the same time, and as is usual whenever it conducts exercises, the Paratroop Corps devoted special attention to contact with the population, setting up a permanent exposition about the activity of the Paratroop Corps in Torre de Moncorvo and organizing a program of exhibitions which included parachute jumps, war dogs, and boxing, in addition to expository sessions in schools to advise the children what to do in case they found some military material that had been lost. At the selected sites--Lagoaca, Vimioso, Freixo de Espada-a-Cinta, Alfandega da Fe, Moncorvo, Macedo de Cavaleiros, Mogadouro and Miranda do Douro--the Paratroop Corps also placed its musical group, the "Green Berets," at the disposal of the local governments, for dances.

One of the persons in charge of the exercise told DIARIO DE NOTICIAS that, essentially, Jupiter-84 produced a very positive balance, including the lesson to be derived from some deficiencies felt there. For the FAP and the CTP, it was a matter of verifying the respective degrees of effectiveness and readiness at all levels. It will now be up to the specialists to provide the answer.

8711

CS0: 3542/47

MILITARY UNDERTAKING MODERNIZATION OF COMPUTER NETWORK

Stockholm SVENSKA DAGBLADET in Swedish 19 Oct 84 p 33

[Article by Bo Ostlund: "New Computers for Billions for the Defense"]

[Text] The first steps in a billion-kronor deal involving the modernization of the military's computer resources were taken on Thursday: The FMV, the Defense Materiel Agency, will purchase 150-200 new computer systems at an initial cost of 200 million kronor.

The deal, which was approved by the government on Thursday, is regulated in agreements between NCR (Sweden) Inc., Philips Electronic Industries Inc. (Peab), Digital Equipment (Sweden) Inc. and Enea Data (Sweden) Inc.--the latter company specializing in the software, of which FMV has chosen the Unix V system.

Peab has extensive experience in defense purchases and will have overall responsibility.

NCR will be the one to deliver the hardware. NCR's new Tower series is now being installed--beginning even this year--at the local and regional units.

Less Vulnerable

Now that the military is changing its computer strategy, it is doing so with the ambition partly of reducing costs and partly of making the computer power structure less vulnerable, which it will become now that the military's older large computers are gradually being replaced by smaller, decentralized computer systems.

The development work is called Struktur 90.

"And when we enter the 1990's and the new structure has become developed, it will be a matter of a computer deal in the billion-kronor class," says Lennart Melvas of NCR.

By the 1990's the local units and staffs will receive their own minicomputers with, among other things, terminals, printers and equipment for short and long-distance communication from NCR.

"We know that the military will now have access to today's most advanced computer technology," Melvas says.

"As for the military's ambition to reduce costs for its computer power, it has chosen the principle of very advanced standardization. And the solution now selected means that previously made investments can be utilized," Melvas says.

The FMV also demanded extensive user-friendliness, that is to say the systems must not be too sophisticated. Even conscripts with brief computer training should be able to use the terminals.

11949

CS0: 3650/36

WORK SLOWS ON EFFORT TO DESIGN DOMESTIC AIR-TO-AIR MISSILE

Stockholm SVENSKA DAGBLADET in Swedish 22 Oct 84 p 8

[Article by Erik Liden: "Despite Defense Ministry Directive: Delay for Swedish Missile Effort"]

[Text] Despite a directive from the Defense Ministry, the Defense Staff does not want to speed up a broad and whole-hearted effort for a Swedish missile industry in the future. The military's desire to invest missile funds must be accounted for on 15 December at the latest.

"There is no money in bags that we can give to the missile industry, but, as for other materiel issues, the Swedish companies involved will have to compete on the same conditions as the foreign industries, which submit bids for the missile purchases in question," says Maj Gen Lars-Bertil Persson, head of the planning board of the Defense Staff.

In preliminary reports on various missile studies under the direction of Supreme Commander Lennart Ljung, the Defense Materiel Agency has arrived at the conclusion that 3.95 billion kronor would be needed to retain complete technological knowledge in Sweden in the field of military missiles.

"We put that study aside," General Persson says. "There are no special funds for missiles today, but the missile projects have to be included in the planning for regular financial calculations."

1985 at the Earliest

Last summer the Defense Materiel Agency, FMV, purchased a new interceptor missile for the JA 37 Viggen fighter version for 600 million kronor. The choice was the U.S. Sidewinder 9 L, despite the fact that Swedish industry was prepared in the long run to submit bids for a more modern and more effective missile. That choice means that another 900 million kronor will be spent over the next few years in order to buy yet another round of Sidewinder 9 Ls.

"If Swedish industry wants to concentrate on the next interceptor missile, which will not be considered until 1995 at the earliest, it is up to the industry itself to decide this matter. In the meantime, up to 1995, several different missile systems for JAS 39 will be developed, which ought to provide new Swedish opportunities," General Persson says. Obtaining a cooperation agreement with the concerned missile companies is of urgent importance."

Many Ideas--Little Money

Undersecretary Per Borg of the Defense Ministry emphasizes that the supreme commander himself stressed the need for an advanced Swedish missile industry in his long-range perspective plan, submitted to the government in June this year, for the future of the defense into the next century.

"Furthermore, Parliament has expressed unanimous support for a Swedish missile technology, to which we will return in the upcoming budget proposals. The supreme commander must first submit his definitive missile documentation," Per Borg states.

Within the FMV the missile experts have a positive view of the capability of making new technological advances in Swedish industry.

"One problem is, however, that there are too many ideas and too little money," says technical director Sven-Olof Hogborg, who is also head of the aircraft division of the FMV. "We must simply decide whether we are to make both radar missiles and missiles whose target-seekers are based on infrared technology in the future."

"If the politicians want to concentrate more money, both types are entirely feasible, but not with the military's economic situation today. I understand that the missile industry is concerned and is awaiting a decision," Hogborg says.

'Must not Become Dependent'

"We in the Center Party have long maintained that the government must give the missile industry positive signals already in the 1985 budget proposal. The supreme commander should also be prepared to do so," says Member of Parliament Gunnar Bjork (Center Party), who was chairman of the 1978 Defense Commission. Bjork is also a member of the 1984 commission, headed by former LO [Federation of Trade Unions] chairman Gunnar Nilsson.

"It is probably about time that Swedish advanced technology should get explicit financial support," Bjork says. "The government must take these issues seriously, so that Sweden will not become dependent on foreign defense systems."

The Defense Ministry is preparing the missile question for this fall's budget negotiations with the Finance Ministry and the various defense authorities. Defense Minister Anders Thunborg is also contacting the missile industry in order to form an opinion of his own regarding the future possibilities.

Parliament will get an official decision no later than 10 January 1985, when the budget bill is to be submitted to Parliament.

11949

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NAVAL BASES TO HAVE CHANNELS SEALED AGAINST INTRUDING SUBS

Stockholm DAGENS NYHETER in Swedish 25 Oct 84 p 8

[Article by Sven Svensson: "Supreme Commander's Report on Antisubmarine Protection; Navy Bases to Get Permanent Blockades"]

[Text] The entrances to the navy bases at Karlskrona and Muskö are to be sealed off to foreign submarines by permanent installations of various kinds. This is the most important component in the report on the expansion of antisubmarine protection which will perhaps be presented by Supreme Commander Lennart Ljung on Friday.

Today, Thursday, the government will discuss whether to make the submarine report, as well as the continued submarine violations, public. On Friday the issue will be discussed by the Foreign Relations Committee, which has been convened for a long time, and after that an announcement is expected.

The entrances to the two sensitive navy bases will be protected through minings, sonars and other permanent underwater monitoring systems. By so doing, full control over all entries and exits of conventional submarines or minisubs is achieved. The possibility also exists to connect these monitoring systems to automatic alarms at monitoring centers.

By means of these installations, the opportunity to sink foreign submarines passing into the two navy bases increases.

For antisubmarine warfare in general, special antisubmarine forces will be established, which can intervene along the entire Baltic coast with greater endurance than at present. Foreign submarines are not likely to be present in the Sea and Gulf of Bothnia, since transit of the Åland Sea is not permitted.

According to current planning, the first operational force for antisubmarine warfare will be ready in 1987, the second in 1992. These forces were created through the increased effort in antisubmarine protection, which had been agreed on by the four largest parties. The operational forces are to include, among others, coastal corvettes, antisubmarine helicopters, minesweepers, sonar, aircraft, etc.

Two coastal corvettes have already been ordered and will soon be ready for delivery. In his requests for appropriations on 1 October, the supreme commander also demanded that an order for another four coastal corvettes should be moved up.

The idea is that in the future the mobile antisubmarine hunt will be built around these six coastal corvettes.

11949

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NEW GUARD SHIP STRESSES ELECTRONICS IN ANTI-SUB ROLE

Stockholm DAGENS NYHETER in Swedish 31 Oct 84 p 21

[Article by Anders Ohman: "'Orion' to Guard the Baltic"]

[Text] The guard ship "Orion" is the name of one of the Navy's latest additions. She is a special vessel, outfitted with electronic signal intelligence-gathering equipment and is to guard the territorial waters in the Baltic Sea and the Western Sea.

The "Orion" is 60 meters long, has a displacement of 1,400 tons and a crew of 35. The cylinder on top of the midships housing, reminiscent of a beer can on its side, is a so-called "environmental chamber," containing a variety of intelligence-gathering equipment.

"A spy ship," the Navy's new ship has been called, but she will not undertake illegal intelligence activity.

The need for an advanced reconnaissance and guard ship originated when Sweden expanded its territorial limit to 12 nautical miles. With its hyper-sensitive reconnaissance equipment, the "Orion" can detect any movement that deviates from normal on the surface of the sea.

Intelligence data can be coordinated with the naval surveillance system which covers the Swedish coast.

The "Orion" is said to have good endurance for a long time in heavy seas, and it cost 80 million kronor.

11949

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COST FORCES RETHINKING OF LONG RANGE PROCUREMENT PLANS

Zurich DIE WELTWOCHEN in German 18 Oct 84 p 38

[Article by Marcel H. Keiser: "The Swiss Army in the Year 2000: 'Revolutionary' Alternative Discarded. Massive Swiss Army Too Costly"]

[Text] Can today's ways of thinking ensure that the Swiss army will still be able to fulfill its purpose in the year 2000? There is reason to doubt whether they can. Even as the predecessor of today's traditional army was being established, the Swiss Department of Defense ordered a study of a revolutionary concept in addition to the evolutionary one. This bold revolutionary model finally ended up on the scrap heap because not one of the general officers dared lend his energetic support to the idea.

Criticism on Two Fronts

The Swiss Army has always been the target of varied criticism. Those who are fundamentally opposed to national defense are critical of the army. But high-ranking officers have always criticized the army for the purpose of increasing the amount of spending allocated to the military. Military planners are also critics today in order to preserve the credibility of Swiss national security policy. To silence them would put an end to constructive criticism.

Swiss intransigence and the conventional "possessive way of thinking" of the cantons and the individual branches of the service prevented the planners from daring to depart from the established course. The question of whether or not it was appropriate to reduce the size of our illustrious military in order to preserve its quality was never addressed.

In the meantime, some of the premises have changed so dramatically that it now seems imperative to ask fundamental questions regarding the army of the future. The new army concept published in November 1982 must not be considered a taboo. The debate must remain completely open, and even unconventional ideas must be given a chance to be heard. It would seem intolerable were the political and military leaders within the Swiss Department of Defense to dismiss as a fit of insubordination any idea which did not fit into their present way of thinking.

Unavoidable Turning Point

Discrepancy exists even between the arms projects being considered today for refurbishing and expanding the army during the next three to four expansion stages and the funds which will probably be available for doing so. This discrepancy gives cause to quickly made fundamental decisions (not to mention the crisis of army strength as a result of the decline in births due to the pill). If the army is to be maintained at its current strength and in its current configuration--as is currently being considered--we will need to spend 38 billion Swiss francs between 1984 and 1995 for the procurement of military equipment. Although this sum is astronomical, it is still less than the amount required for modernization of the defense structures (around three billion), buildings for staff, training and logistics (close to three billion) and funds for electronic warfare (roughly one billion).

However current financial planning only provides for investments totaling 21 billion Swiss francs for buildings and military equipment until the year 1995. Four billion francs are expected to be spent for buildings, which means that the arms projects considered necessary must be cut by a full 50 percent from 38 to 19 billion francs. There is a strong temptation to postpone several expensive projects for a long period of time--with the fatal consequence that at the turn of the century our infantry army would be outfitted with technically and tactically obsolete military equipment, and would thus have greatly reduced combat potential and therefore greatly decreased deterrent capability.

The answer to problems of such enormous dimensions can only be to permanently cancel some large-scale projects still being given consideration. However it is also clear that the current concept must at least be modified, if not completely rethought. The only practical solutions are either in terms of a mass army/guerrilla tactics or a high-technology army which would therefore be considerably smaller. If the high cost of conscription continues, there is no choice but to accept the second alternative. A smaller army would have the additional advantage of allowing increasing operating costs to be kept within acceptable limits.

An internal Swiss Department of Defense study which advocated this second alternative was on the desk of General Chief of Staff Joerg Zumstein at the beginning of the year, however he forcefully and immediately rejected it. The authors of the study noted that in the future Switzerland must be able to meet any threat, "with primary emphasis on its ability to counter guerrilla tactics as well as a strategic attack, and secondly to be able to defend itself against a mechanized enemy equipped with helicopters of every description." According to the study, this would require

- a surveillance system capable of nearly instantaneous response to monitor all vital aspects of the infrastructure,
- a fighting element at the army level, or at least pro army corps, which does not require mobilization,
- a large number of helicopters as anti-tank weapons in addition to corresponding long-range, dense-coverage artillery, several tank formations which

would act as a mobile first line of defense in order to delay the enemy and allow defensive measures to be implemented, an infantry which--limited to localized combat--contains necessary pivots for mobile units, as well as a network which is highly reliable in the face of destructive elements,

- a command network and communications system reflecting the future climate of electronic warfare.

Tanks Jeopardized

The general staff paper shows that the terrain in Switzerland is becoming less and less suited to the use of its own tanks for counterstrikes. Although the system of roads has been expanded by elevated roadways, at the same time shooting range and maneuvering room have become more limited. Superhighways and expansion of the network of primary roads have led to a large number of bridges and tunnels as well as to changes in the features of the terrain. For these reasons, movement of Switzerland's own tank units is either much too slow or very risky. Because the enemy alone would determine the time, place and speed of any attack, we would be able to offer an adequate response only by including air strikes as well. We must therefore redirect our emphasis, according to the document, "to immediately concentrate on such weapons systems."

In view of technical armament developments, the more modern enemy and costs which are becoming prohibitive, General Chief of Staff Zumstein had also indicated that we must move away from our purely successive way of thinking in the procurement of arms. Strangely, he then immediately limited such directives to airborne weapons systems. Such modesty seems all the more surprising when one considers that in August 1981, a full 15 months before the new army concept was published, a study entitled "Army 2000," which until that time had been withheld from the public and in particular from the military commissions in the parliament, emphasized that we must try to bypass entire generations of expensive weapons systems: "This should be possible without grave consequences for a defensive army." The document mentioned that instead of the next generation of battle tanks, anti-tank helicopters could be procured for the operative stage, for example: "Anti-tank helicopters show a much more favorable cost/benefit ratio because when used defensively they will probably continue to be effective anti-tank weapons for 10 to 20 years, and because they are at least five times more efficient than battle tanks while costing only roughly twice as much."

According to a special issue of the magazine SPEKTRUM DER WISSENSCHAFT which appeared in 1983, during maneuvers in the Federal Republic of Germany American Cobra helicopters armed with TOW missiles were able to destroy an average of 18 "Leopard" tanks per helicopter before they themselves were hit. The magazine continues, "...it is logical to conclude that weapons with precision guidance systems will be able to sooner or later overcome most, if not all, defensive measures, and will control the field of battle of the future. The tide of battle on the ground will no longer be decided by huge overpriced tanks with a weight of almost 60 metric tons and a top speed of 80 km per hour. They can easily be detected regardless of their location, and are easy

prey for precision-guided missiles of all kinds. The future belongs to vehicles which are light-weight, maneuverable and armed with missiles, and which are inexpensive to manufacture and can be procured in large numbers by any army."

At the time the article appeared the former head of the infantry, Division Commander Robert Treichler, was thinking along similar lines in concert with other generals, however these ideas were never adopted. Due to a lack of funds, even the anti-tank helicopter is today far out of reach. In a recent pilot project, artillery commanders not only came out against terminally-guided armaments or those with secondary warheads, but also found fault with unmanned aircraft--so-called drones--for real-time reconnaissance and tactical fire direction. General Chief of Staff Zumstein dismissed these undoubtedly justified concerns as "wishful thinking." The views of those in charge of the artillery thus end with the question of whether three battle groups of M-109 self-propelled guns should be allocated to the mountain army corps from existing reserves (which they would no doubt like, but which is fraught with enormous logistical problems), or whether the corps should be given reinforcements in the form of old carriage-type 10.5 cm howitzers (here, the several hundred million Swiss francs needed for the urgent replacement of no longer usable munitions are not available).

Some Procurements Eliminated

Assuming that some of the fundamental parameters of a turn-of-the-century army can be changed--with the exception of general conscription, the militia system, the overall period of service and the available finances--individual planners in the Swiss Department of Defense have concluded that the following primary projects should be implemented: anti-tank helicopters (5 billion Swiss francs), an initial lot of new battle tanks (2.8 billion), rocket launchers for the artillery (1.8 billion), guided anti-aircraft weapons (1.2 billion), equipment for electronic warfare (1.8 billion), reconnaissance aircraft (900 million), company-level anti-tank weapons (500 million), increased combat efficiency for the tank-68 (500 million), replacement M-113 armored personnel carriers (500 million), tactical mine-laying vehicles (800 million), first series of the automatic assault rifle-90 (500 million) and a destroyer system (500 million). Added to these investments totaling 16.8 billion Swiss francs would come an additional 2.2 billion francs for various "small-scale projects." According to the ideas of the unconventional thinkers, the following would have to be forgone: a new fighter aircraft, the second lot of "Leopard II" tanks, replacements for the "Bloodhound" anti-aircraft missile, mobile regimental battlefield anti-tank defenses (TOW missiles mounted on Piranha armored personnel carriers), the multi-purpose bridge-90, certain elements in the army's motor pool, the second lot of new automatic assault rifles, operative and tactical defense structures, and new logistic structures.

Such courageous ideas naturally hit at the foundation of traditional military thought. The people in the Swiss Department of Defense should therefore have the power and patience to give them unbiased consideration, because as knowledgeable individuals abroad will tell us, things are in a state of flux everywhere. In any case, decisions based on prestige and the failure to discard traditional ideas could one day come back to haunt us.

12644

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HIGH-TECH SECTORS SPARK BAVARIA'S INDUSTRIAL RESTRUCTURING

Combination of Growth Factors

Munich INDUSTRIEMAGAZIN in German 15 Sep 84 pp 86-93

[Excerpts] Germany's southernmost federal state is still viewed by many people as a tourist idyll with a rural mood. But the numerous domestic and foreign investors often see the Free State from a different angle: Bavaria as the leader in economic growth, as an attractive site for production and sales.

A Japanese by the name of Sadanori Watanabe, business manager of the Hitachi videorecorder plant in Landsberg, summarized his impression of "new" Bavaria in these words: "We came here because we found highly-skilled workers here, because suppliers are able to deliver components for our equipment, and because the people are more hard-working and friendlier than anywhere else."

An interesting mix, in other words, which is an enticement to settle within the borders of the Free State. For Hitachi, these points of attraction were so strong that the enterprise established two production facilities in Bavaria right away. Back in 1980, it founded a plant for making semiconductors in Landshut which now employs 300 persons.

This vanguard was now followed a year ago by a processing facility in the form of the videorecorder plant. This year, around 100,000 units will be made and within 5 years, Watanabe figures on 180,000 units. By then, Hitachi wants to invest DM25 million and will employ about 400 people at Landsberg.

Respectable though the Hitachi commitment in Bavaria may be, it is only a fraction of what foreigners built up here over the past 2 decades. According to surveys by the Bavarian Economy Ministry, more than DM5 billion flowed to the southernmost German state in investments since 1962. But this again is only a part because to this we must add the influx of enterprises from the other federal regions into Bavaria.

Here is the most recent example: The most dynamic German computer manufacturer, Nixdorf AG [Inc.], has just shifted a part of its operation to Munich. Of

course, the central production facility remains in Paderborn, but the communications technology division and various development teams are moving to the capital of Bavaria. The new building at the outskirts of Schwabing will house initially 900 employees and that number will soon be increased to 1,400.

The main reasons mentioned by press spokesman Rolf Prey for the switch to Munich are also cited time and again by the other newcomers: "The personnel market here is bigger than elsewhere, especially when it comes to electronics. The massive concentration of enterprises in this area attracts many young and efficient people whom we need."

In deed, electronics, a field with a great future, can be found to cluster around Munich like nowhere else in any other industrial location in the FRG. It would surely be too much to speak of a German "Silicon Valley" at this time but the comparison is not that far off the mark. Five out of the 14 biggest-selling semiconductor manufacturers in the world are represented with one production facility around the state capital: Texas Instruments in Freising, Motorola with a plant in Unterfoehring, and, soon, another one in Munich; Hitachi in Landsberg and Landshut; Fairchild in Wasserburg and finally Siemens in Munich. In addition we have the fact that a series of other world-famous manufacturers established their German headquarters in Munich, for example, National Semiconductor or Intel.

There are several reasons for this concentration of electronics, of which the semiconductor producers are only a part. First of all it was certainly decisive that big users, such as aviation and space, entertainment electronics, telecommunications, and the vehicle industry were always heavily represented in Bavaria. The "suction" issuing from them drew not only investing firms but also highly-skilled people from research and development. For example, 12 out of 56 institutes of the Max-Planck Society have their homes in Bavaria; the FRG's biggest technical university was built in Munich.

An interesting labor market with many outstandingly trained specialists who in turn entice enterprises in the electronics and computer fields to switch to Bavaria.

But it is by no means true that Bavaria lives only on semiconductors or computers (see table below).

Number One Site For Electronics
Bavaria's 15 Biggest-Selling Industry Branches (1983)

	Branch (1)	Sales Volume (2)	davon Export in Millionen Mark (3)	Beschäftigte (4)
5	Elektronik	33 833,9	13 532,2	217 530
6	Straßenfahrzeugbau	25 869,8	12 390,0	130 100
7	Maschinenbau	25 508,1	11 672,9	178 207
8	Ernährungsgewerbe	24 446,6	2 991,5	83 109
9	Chemische Industrie	14 652,0	5 848,8	63 308
10	Mineralölverarbeitung	7 610,7	389,0	2 705
11	Textilgewerbe	7 124,4	1 797,6	55 357
12	Steine und Erden	6 407,7	424,1	40 244
13	Bekleidungsgewerbe	6 388,1	910,2	73 221
14	Holzverarbeitung	5 548,7	577,8	46 545
15	Kunststoffverarbeitung	5 017,8	921,5	40 332
16	Luft- und Raumfahrzeugbau	4 797,4	2 471,6	27 519
17	Druckereigewerbe	4 441,1	306,7	34 259
18	Eisen-, Blech-, Metallwaren	3 991,2	932,1	34 336
19	Zellstoff- u. Papierherstellung	2 700,0	830,3	8 986

Key: 1--industry branch; 2--sales volume; 3--including exports in millions of DM; 4--employees; 5--electronics; 6--road vehicle construction; 7--machine-building; 8--food industry; 9--chemical industry; 10--mineral oil processing; 11--textile industry; 12--stones and earths; 13--clothing industry; 14--wood processing; 15--synthetic materials processing; 16--aircraft and space vehicle construction; 17--printing industry; 18--iron, sheet-metal, and hardware; 19--cellulose and paper production.

The tremendous lead which the industrial center on the Rhine and the Ruhr but also the coastal regions held as against the land-locked region deep in the South lasted well into the time after World War II.

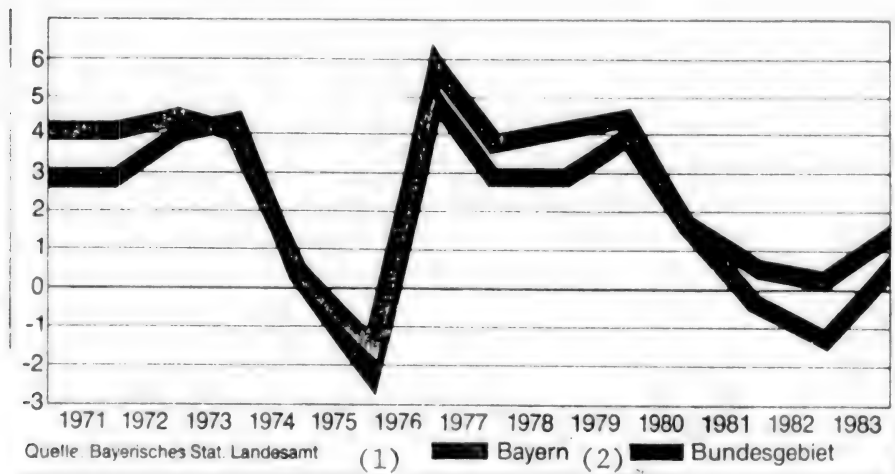
Bavaria's rise began when petroleum started a revolution on the energy market and when former ties to specific locations near the coal mines began to loosen up. This suddenly made it economical also to settle outside the shadow of the mine elevators. This trend was also supported by the improvement of communication lines. The rail net and the ever denser superhighway net eliminated or at least reduced the disadvantages of this remote location.

Bavaria's industrialization, which began comparatively late, quickly turned out to have been an extraordinarily fortunate circumstance. While the traditional branches of the raw materials industry were concentrated in North Rhine-Westphalia, with emphasis on coal and steel--industries which in the past

proved to have been particularly vulnerable to changing economic conditions and structural problems--a young, modern industry branch structure sprang up in Bavaria. Electrical engineering, vehicle construction, machine-building, and the chemical industry today form the backbone of Bavarian industry, supplemented by the technologically high-grade aircraft and space industry which developed around the nucleus of Messerschmitt-Boelkow-Blohm GmbH [limited liability company].

This industry branch makeup is a piece of luck in several ways. First of all, these are mostly "clean" industries; Bavaria has for the most part been spared environmental problems such as the Ruhr region. Only the construction of over-sized smokestacks meant that emissions from coal-fired power plants began their harmful activities now also in the Bavarian forest and elsewhere.

All these are the prerequisites for Bavaria's developing, within a few decades, from the caboose in industrial growth to the engine. Together with Baden-Wuerttemberg, Bavaria leads in the lists in which economic progress is measured. Year after year, the growth of the GDP was above the federal average (see also graph below). The average growth rate between 1960 and 1980 was 4.3%, in other words, 0.5 percent higher than the arithmetic mean of all federal states together.



In the Lead. Growth of GDP in Bavaria and in Federal Territory (Real) in percent.

Key: 1--Bavaria; 2--Federal territory. Source: Bavarian State Statistics Bureau.

If anything, the gap seems to be growing today. While the GDP nationwide last year increased by 1 percent, Bavaria showed an increase of 2.2 percent.

It is no wonder that this growth also had an effect on the labor market. In no German federal state--with the exception of Baden-Wuerttemberg--was the unemployment rate lower than in Bavaria; at last count, it was 6.7 percent.

For the year 1984, a total of DM450 million in low-interest loans and DM122 million in investment subsidies are available for the promotion of industrial investments (including tourist travel). In addition there are DM365.5 million in low-interest loans from the special medium-level industry promotion program. For the infrastructure measures taken by the communities, the Free State finally makes available DM32 million in low-interest loans, plus DM135 million in investment subsidies.

But money alone will not do the job. There has to be a corresponding policy which makes it look attractive to investors to settle down here. In Bavaria, structural policy also includes the effort to refrain from creating any red-tape obstacles for enterprises established here and instead giving them enough elbow room for their entrepreneurial commitment.

Strauss on Location Advantages

Munich INDUSTRIEMAGAZIN in German 15 Sep 84 pp 95-99

[Interview with Franz Josef Strauss, minister president of Bavaria, on Bavaria's restructuring measures and industrial location policy. Date and place of interview not indicated: "We Have Become the Number One Location"]

[Text] INDUSTRIEMAGAZIN: Mr Minister President, to what can we trace Bavaria's spectacular upswing to become an industrial state during postwar years?

Strauss: After the war, the Bavarian state government pursued a forward-looking structural policy. It was our goal to turn our state, which was primarily characterized by agriculture and small-scale industry, into a modern industrial state whose agricultural, crafts, and middle-level basic structure nevertheless remains preserved. We were sure that this was the only way to create as equal living conditions as possible throughout the entire land.

We owe the great buildup achievement following the war to the commitment and hard work of the population, the native population and the refugees. Together, we all put our shoulders to the wheel, body and soul.

INDUSTRIEMAGAZIN: That sounds real dramatic.

Strauss: But that is the truth. With government but nevertheless free-enterprise aid we pursued a specifically target-oriented industrial settlement effort above all in the structurally weak regions of this state. We consciously bet on the settlement of modern and environmentally-safe industries with a bright future. But we above all also pursued a calculable and pro-industry policy. And so we finally became the number one location in the FRG. Today, more than 50 percent of the German electronics, aviation, and space industry capacities are in Bavaria. I am proud that I was able to do much already in my capacity

as federal defense minister during the 1950's for the German aircraft and electronics industry and for German enterprises in engine construction.

INDUSTRIEMAGAZIN: What are you talking about here specifically?

Strauss: At that time already I urged that we immediately start with the construction of a new and independent aviation industry in spite of wartime destruction, in spite of dismantling thereafter, in spite of the tremendous technological development in the United States, and in spite of resistance in our own land. I furthermore urged strongly that our future aviation industry confine itself not only to maintenance work and that it not live on just license-based copying but that we pursue our own research and development effort for our own independent production.

These many long years of endeavor bore fruit for us especially during the recession we now have behind us. Industrial statistics prove this. Comparing the various states, we have for quite some time now been definitely better off than the federal average. Last year, Bavaria's real economic growth was 1.7 percent and was thus almost twice as high as the federal average. This year again we expect economic growth which will be 1 percent above the federal average.

INDUSTRIEMAGAZIN: Does the growing South-North gap--resulting from the decline of traditional industry branches along the coast and in the western part of the FRG, on the one hand, and the settlement of industries with a good future in the south, on the other hand--create problems as regards the coexistence of the federal states among each other?

Strauss: There will always be structural problems. To make sure that structural problems will not become a lasting disadvantage, the instrument of financial adjustment has been created on the state and federal levels with the objective of creating as equal living conditions as possible in all regions of this federal republic and in all parts of the individual states.

Bavaria--an agricultural state after the war and cut off from its natural lifelines to Eastern Europe by the Iron Curtain and thus considerably at a disadvantage when compared to the other federal states--derived considerable benefits from the adjustment function of the financial adjustment system. Today we can expect that Bavaria, if the favorable and above-average economic development continues, will soon change from a taker state to a giver state. We are proud that Bavaria has ceased to be the "tailend" and has now moved up to the leading group among German states.

INDUSTRIEMAGAZIN: Does this development not provide an occasion for disputes?

Strauss: On the contrary. Other states are trying to figure out the secret of our success and, for their part, attempt to bet on the settlement of industries with a bright future, to promote research and development facilities, and above all at last to solve their structural problems and to stop sticking so stubbornly to the preferential role of coal and iron. Other federal states had their chance but they closed their eyes too long to the structural change that was taking place and they rested on the industrial laurels which they

had earned earlier. Some states simply missed the bus and are now facing a dry spell but they will catch up all the more quickly, the more they put their money on free-enterprise methods and the more environmentally-safe general conditions they create.

In many cases it was simply a wrong policy to test the stressability of the enterprises to the breaking point and thus to damage their competitive capacity to such a point that the foreign competition finally got into the business and got the big orders. Our efforts to balance out the disadvantage of our remote location from the industrial regions and our position at the edge of the zone, to try new ways in planning and production, and to take up new ideas and methods are bearing fruit today. Now we are in the lead and we want to defend our place here. That is federalism. That is sound competition.

INDUSTRIEMAGAZIN: Bavaria is not letting up in its efforts to promote industrial settlement. In view of the great success achieved in the meantime, is a promotion policy on that scale still necessary?

Strauss: We are far from having reached our goal. To be sure, the Bavarian curves in the labor market statistics have for years been looking better than the federal average; but winter unemployment is still shockingly high in Bavaria, above all in areas along the zone boundary. This is why we must not stop half-way in our settlement policy; instead we must do much for our infrastructure outside the concentration areas so that forward-looking enterprises will go where people willing to work and skilled citizens of our state are looking for jobs.

We need job and training slots above all in economically weak areas, such as, for example, in the Bavarian Forest and in the Fichtel Mountains. This is why we are promoting industrial settlement in this area also in the future. The VI BMW [Bavarian Motor Works] in Regensburg will bring an improvement for the entire region there and will help preserve local medium-sized enterprises and permit the establishment of new supplier enterprises.

INDUSTRIEMAGAZIN: One can sometimes hear the charge to the effect that the promotion of new establishments is being emphasized too much at the expense of taking care of what we already have, in other words, aid for the projects of already existing enterprises. The Bavarian state government has also been scolded because of its promotion of big enterprises, such as the BMW plant in Regensburg. Is there any truth to the charge that it turned away from its originally pro-middle-level policy?

Strauss: You can never please everybody. But, demonstrably, each settlement of a new enterprise meant that the entire economic strength of that particular region improved, that the situation on the labor and training market became definitely better, and that the consumption capacity of the local population went up. Local trades also profited from every new establishment in terms of equipment and supplier items. This is why this settlement policy is also pro-middle-level because it serves not just a single enterprise but an entire region and therefore it reaches and encompasses especially the middle-level sector.

We proceed with caution and circumspection in supporting these locations. We encourage outfits to settle down where corresponding skilled workers are looking for jobs and where the required infrastructure is available. Above all, we also include the concerns of environmental protection in our considerations.

INDUSTRIEMAGAZIN: There is a neck-and-neck race between Bavaria and Baden-Wuerttemberg, with our neighbors having a slight lead in the matter of growth and employment. Could that change?

Strauss: If we continue to show stronger growth dynamics--and this was confirmed for us just recently in an expert report--then it may well be that we can measure ourselves against the excellent economic results of our neighbor Baden-Wuerttemberg. Whether we can get top grades also as regards employment, where Baden-Wuerttemberg has always been the lead, is something that I must doubt for the time being because we must still figure on high winter unemployment, for a longer period of time, in the Bavarian Forest and in the adjoining regions of the Upper Palatinate.

INDUSTRIEMAGAZIN: Mr Minister President, where are you placing the emphasis in industrial policy for the coming years?

Strauss: First of all, we will retain our settlement policy and, then, we will make sure with every emphasis that our main traffic arteries will at last be developed as provided for in the expansion plans for many years. Among other things, we are still missing such important connections as Munich-Deggendorf, Munich-Regensburg-Weiden-Hof, Munich-Muehldorf-Simbach, and Munich-Lindau. We do not have the Main Valley superhighway and we do not have the Franconia turnpike. But we are confident that federal money will in the future be channelled for superhighway construction above all to the peripheral and structurally weak areas and thus primarily to Bavaria.

INDUSTRIEMAGAZIN: What are you doing to make sure that you will continue to be active in technologies for the future?

Strauss: A few weeks ago we established a research promotion center in Munich. The many research installations inside and outside the universities provide an ideal supporting structure for cooperation by enterprises in the research and development field. But to make sure that knowledge of new techniques can be used even more, so that Bavaria will in the future also prevail in international competition, we need close cooperation between high schools, colleges, research, and industry. Promoting this kind of cooperation is a matter of serious concern for us.

This is why we approve the establishment of two departments for "integrated structural components" and for "computer-assisted design" at the University of Erlangen/Nuernberg in North Bavaria in the field of microelectronics. The North Bavarian industry provided the impetus for the establishment of both of these departments and supplied the money for one of them.

As in the case of North Bavaria, a foundation-supported department is to be established soon also at the Munich Technical University with the cooperation of the South Bavarian industry.

We not only like to support such efforts but we will in the future promote them to the extent possible. It has been confirmed for us again and again that the FRG has by no means lost any ground in the field of research and development; instead we only failed to convert theoretical knowledge into practical production. That is the gap we must now close.

5058

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EFFORT UNDERWAY TO MODERNIZE ONSHORE INDUSTRIAL BASE

Zurich NEUE ZUERCHER ZEITUNG in German 8 Nov 84 p 15

[Article: "Movements Underway to Revamp Norwegian Industry. Elements of Differentiation Between Two Poles"]

[Text] Zr. Oslo, End of October. A schematic judgment on the Norwegian economy which has been heard frequently over the past several years is being reflected more and more by a marked polarity which is often characterized by the terms "offshore" and "mainland". On one side of this polarization are the rich deposits of oil and natural gas which are being developed, while the other is represented by the so-called traditional, mainland industries which for a long time have suffered continuing loss of competitiveness. The offshore prosperity with its attendant rising costs is considered partly responsible for the grim situation in which many other industries find themselves. This economic picture is certainly not without foundation, but it is too patterned and requires increasing attention to detail. Structural changes and modernization processes have been undertaken in mainland industry, and are clearly headed in the direction of high technology.

The Economic Climate

Even this fall, the Ministry of Finance in its report on the federal budget for 1985 named an excessively high cost level and serious structural problems as the primary causes of the current economic problems in the traditional industries. In the Ministry of Industry one also gets the impression that increased efforts are needed to reduce the pressure exerted by high costs and to improve company profitability. Also necessary are industrial diversification, encouragement of technical advances and expansion of appropriate vocational training programs. The share of oil and natural gas in overall economic production must also be consolidated. This, they say, would also benefit high employment over the long term.

In comparison with many other West European countries, Norway's economic climate is more favorable. Unemployment in Norway, which amounts to three percent of the work force, is considerably below the European average, the balance of payments is active, thanks to its offshore sources of oil, and budget surpluses are generated by the inclusion of fiscal income from oil and gas. Employment problems, where they still exist, are seen as being primarily structural

in nature. High real wages and difficulty in adapting to the changing economy are primarily responsible, according to the most recent budget report. According to the Ministry of Finance, "These problems cannot be solved by increasing public demand. Rather, fiscal and monetary policies which are too expansionistic can harm the labor market. Continued cost reductions and increased economic efficiency are therefore important factors in reducing unemployment."

The citizens' cabinets, in power since October 1981, have repeatedly used the instrument of reducing the tax burden in conformity with this strategy. However this was always done in moderation because the inflation rate (currently around six percent) still exceeds the OECD average. The government is considering further personal and business income tax relief for 1985. If the government also intends to use funds for directly maintaining or creating jobs as well as apprenticeships in particular, this is clear evidence of the fact that full employment is a primary goal of Norwegian politics--the next parliamentary elections are to be held in the fall of 1985.

Changes in the Product Range

It is encouraging that thanks to international economic improvement in the past one to two years, traditional industries have also made some progress after a period of falling overall production and low earning power. The fact that this progress has seen a continual change in those individual industries being emphasized and in the product ranges produced is in line with the intentions of industrial politics which include diversification and specialization in addition to regional promotion as those most emphasized. Most recent indicators show significant shifts since the mid-1970s, i.e. since the period of great international economic growth.

An expansive development of production is seen above all in the chemical and machine construction industries, as well as in forestry. The production of nonferrous metals was recently able to recoup earlier losses, and the essential and nonessential food industries have surpassed the production volume achieved a decade ago. Downtrends, on the other hand, are evident over the short and medium term in the textile and clothing industries, and heavy industries continue to operate at a lower capacity than a decade ago.

Among those industries whose growth goes hand in hand with rapid technical advances are the naval construction and automotive component and equipment industries. Employment has declined heavily in the traditional areas of production within the shipbuilding industry, however some of the labor force in this industry has been maintained by redirecting employment to offshore activities (equipment for oil and natural gas drilling platforms, transport systems, etc.).

Electronics Showing Strong Upward Trend

It is clear that the offshore economy has also benefitted the electronics industry, some sectors of which are riding the crest of technical advancement. Norwegian electronics companies, as will be illustrated at a later date, have

become established around the world, some in a short time. A common feature of these companies, as was made clear during a press trip to Oslo and Trondheim, is the attempt to extract every ounce of performance from them through specialization, concentration of product lines and individualized performance--characteristics which allow these relatively small companies to profitably exist alongside large American and Japanese corporations, among others. A summary overview shows telecommunications to be a center of activity. The level of performance within this industry is explained by the requirements of the geography and the topography of the country as well as shipping. Norwegian firms also supply computers, auxiliary equipment and software for the automation of manufacturing processes as well as administrative procedures, and maritime applications range from fish finding to anti-submarine defense. Greatly above-average growth, research and export intensity within the electronics industry is part of its nature.

Company Structure and Regional Politics

Even though there are signs of a concentration of high-technology companies--the seven largest companies account for a good four-fifths of overall annual production--the general industrial climate in Norway is characterized primarily by small companies which influence research and development, an area in which public services range from basic research and education to the area of applied research, and in which cooperative facilities which function as interfaces between universities and industry can be found.

Regional promotion of trade is one of the main branches of industrial politics. The unusual geography of Norway is characterized in the north by sparse population, expensive infrastructure requirements and a rather one-sided economy based on fishing and fish processing. Traditional industries are found mainly in the area served by the capital city and in southern Norway. In the interest of maintaining population density in remote areas the government is trying to keep state-owned manufacturing centers in operation by financial means, even if these centers show no promise of commercial viability. The government also encourages private investment in a number of ways, including investment grants, infrastructure services, vocational training programs, reduction of tax burdens and social insurance premiums payable by employers, as well as research and development subsidies. These investment incentives, incidentally, are equally available to foreign and Norwegian investors alike.

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ECONOMIC, POLITICAL VIEWS OF BASQUE BUSINESSMAN OLARRA

Madrid YA in Spanish 12 Nov 84 p 7

[Interview with Basque businessman Luis Olarra by M.L. Garcia Franco; date and place not given]

[Text] Bilbao--Basque businessman Luis Olarra regards the Socialist government's approach to industrial reconversion and the struggle against terrorism as constructive. In his remarks to YA he announces that he is preparing to return to political life within the AP [Popular Alliance] Coalition, adding that what has been done politically in the Basque Country in recent years goes against tradition. Throughout the interview with this paper he suggests that "what almost all of us wanted in the Basque Country was a reestablishment of the economic agreements as they were before the war."

Although Luis Olarra is not at the moment involved in the Basque employers association or the iron and steel industry, of which he was a pioneer, he has not abandoned the business world. It seems, though, that business is not enough for him, and he is thus preparing to return to politics through the AP Coalition. On this issue the Basque industrialist says that "there have never been negotiations because I have always been in contact with the leaders of AP, and it depends on us deciding at some point to do it. I could be back full-time on the political scene within a year. In my position it is not easy to withdraw from all issues. It so happens that I am less in the public eye right now, inasmuch as I have decided to stay on the sidelines so that I can take a calmer look at what is happening in the country."

[Question] The Basque Country is losing a great many industries right now. How do you think this is going to affect the Basque economy and society in general?

[Answer] It is having an effect and will have one in the future, but the big trauma in the Basque economy, within the powerful industry that we used to have, has already taken place. Over the past 12 years there has been an almost continuous erosion of the economic situation in this region, and our political and social problems have played a major role in this; we are now far below what the Basque Country used to be. The fact is that this region, which used to be a model for all Spain and which enjoyed a high level of income and business initiative, has declined. We still have a period of uncertainty in front of us, but an overall awareness is gradually taking shape.

[Question] What do you think the answer to this situation is?

[Answer] The Basque problem involves more than the type of economic system we have and it is not just a result of the international crisis. The major industries here were metals, iron and steel, shipbuilding, machine-tools, weapons and automobile-related firms, which are the ones that have suffered the most crises all over the world. In the Basque Country, politics, social movements and terrorism have been complementary factors that have made the situation very grave. I think that the technical and economic aspects, investment and skilled labor are still latent problems, but until the other conditions improve, the downtrend will continue in the Basque Country.

[Question] The situation has improved in the Basque Country in the sense that terrorists have lost social backing, but is progress also being made in dismantling the terrorist apparatus?

[Answer] Yes, that is clear, although terrorist acts could still occur, because terrorism has the advantage of being able to choose its time and place. Terrorism has been a very tough, very serious problem in the Basque Country, and it has had a major impact. Obviously now there are very tough reconversion problems in many sectors, and the climate of ongoing confrontation is not conducive to investment. Therefore, we do not yet have a climate of confidence in which people will move ahead, regardless of how much success the Socialists have had in halting terrorism compared to 3 or 4 years ago.

[Question] Do you feel completely safe from terrorism?

[Answer] I'm the same as always, but I'm glad that people are enjoying a bit more calm and, above all, that terrorism, which at one point had major social support, no longer does. It so happens that given the situation in the Basque Country, the focus is always on those who are out of jobs or have insoluble problems at home, but it's not because all those people support terrorism.

[Question] What do you think of the measures to reincorporate ETA members into society, which are sort of like the counterpoint in the Socialists' policy?

[Answer] We must be implacable with those who refuse to abide by the law, and we must not stop until they are all out of circulation. That much is clear. Now then, we have to try and reincorporate those who have not really taken part in operations in which people were killed or wounded, because there are a lot of people in the Basque Country who were fooled into getting involved with ETA, who went to France on the advice of other people who stayed here but who pull the strings. Those people have remained on the outside, under the wing of the individuals who run the terrorist operation and of other foreign forces that have manipulated ETA for their own ends.

[Question] Do you feel that the political crisis makes it harder to improve the situation?

[Answer] It is obvious that unfounded hopes were raised by home rule, by the Basque Government and by the statute, which were regarded as almost a panacea, when the politicians should really have made it a point to prevent all this social deterioration, because when you get to that point, there are no magical answers. We got a statute and an autonomous government and then we started talking about self-determination, and people are now seeing that the politicians are just going to wind up with a new argument to justify their lack of effectiveness. Moreover, the latent disagreements between figures in the majority party here have begun to surface. People are again beginning to understand here in the Basque Country that perhaps what almost all of us wanted was a reestablishment of the economic agreements as they were before the war, a reestablishment of the "fueros" [privilege or exemption], with the general boards and delegations in each province. The creation of a parliament and an autonomous government has somewhat distorted our natural style. Everything that has been done politically here has not been in keeping with tradition, even though it was claimed to be.

[Question] Do you think that there has been a change in the PNV [Basque Nationalist Party] outlook?

[Answer] Within the PNV the president of the Vizcaya Delegation, Macua, is defending the former fueros and our tradition, and almost all of us share these stands.

[Question] How do you view the role of the right wing in the Basque Country?

[Answer] The Basque Right has traditionally been part of the PNV. The Nationalist Party has always been conservative, no matter how hard some leaders have tried to portray it as social democratic and progressive to win over some Basque leftists. I don't think that native Basques have ever been left-leaning; they belonged to the PNV, a party which represented the Basque Country, more or less conservative at all levels. The left wing here represented the people who had come from elsewhere, and then we had the rise of what is called the "abertzale" [patriotic] Left, but no one knows exactly what it is.

er what it represents, and confusion arose. There is no right wing in the Basque Country like there could be in Guadalajara or Toledo.

[Question] Hasn't the lack of unity on the Right been a factor?

[Answer] It always has. The Right argues a lot. It has always been divided. Everyone has his party. But this will gradually settle out too, and we will wind up, like all countries, with a two-party system. There might be another party but within a coalition. Spain is headed towards a two-party system, and all of the minor figures who are popping up every day will eventually have to find their place.

[Question] Is the PNV moving towards this two-party system?

[Answer] If we think about it coldly, the PNV ought to be a calm, reasonable and logical party linked with a conservative group in a chamber. In other words, if you pay attention to the sentiments of the party's rank-and-file, the PNV votes will always go to support a conservative party, by its very nature.

[Question] What do you think of the current reconversion plans as they affect the Basque Country.

[Answer] An industrial reconversion was a necessity because of the conflicts that have systematically taken place for years now over grievances that are impossible to resolve. If such a reconversion had been undertaken a few years ago in a smoother, less traumatic way, it would have been different. The fact is that the policy of smoldering confrontation was making all sorts of companies impossible to run, and this eventually had to hurt all sectors. All of this has led to a lack of investment and technological renovation, because companies had other worries. As a result of all this, sales, output and competition declined. This led to disinvestment, and when companies are badly disinvested and have gone years without technological renovation, there comes a time when reconversion involves all sectors, not just a few. The damage that were being made wound up damaging the entire economic system. If the politics in the street and in the factories had lasted a year or two after the change in government, we would have gotten over it, but it's been the same old story for 10 years now.

[Question] Has there been a major exodus of Basque businessmen?

[Answer] A lot of people have left because of terrorism. There is little understanding of the fact that people can be permanently threatened or harassed. Everyone is different, and some people put up with it, others do not, and still others feel that it's not worth putting up with. Some have set up shop in South American countries because they saw that they didn't have much of an opportunity here, and many have also left because they were ruined and lost their businesses. The fact is that there been a rout.

[Question] Didn't the Basque Country's pioneer industrialists set up huge firms without much foresight?

[Answer] People make right and wrong decisions. The point is that if there had not been this traumatic situation of ongoing conflict, all of the companies would not have deteriorated and would have made plans for changes in a more deliberate manner. But when problems are created for a company every day, when it suffers from disinvestment and is short of money and when the people running it always have their minds on other matters, then the machine falls apart.

[Question] When would you say that the reconversion should have begun?

[Answer] Spain needed an industrial reconversion. Unlike in the United States or in other European countries, our companies should have pursued a policy of renovation and adaptation to crisis-plagued markets and should have had greater labor flexibility, because if companies have to deal with labor constraints and have just a few, low-demand markets, then their economic problems are enormous. Under the circumstances, the government had to order a reconversion here at a given point and also had to provide the instruments needed to rebuild the troubled sectors. It should have been done on a daily basis. For example, General Motors has not been given a single reconversion decree, and if you look at the firm 20 years ago and then today, you will see that it has been reconverting every year. This has not happened here. The time came when the deterioration was so extensive that practically only the government could undertake the reconversion, because not even private enterprise had the money to do it.

[Question] How is entry into the Common Market going to affect the Basque Country?

[Answer] The Basque economy is basically industrial, unlike other regions in which the sectors are more balanced. Membership in the EEC is not a bad thing. The only thing that we have to ask is that the guidelines not be purely political, because then it would be disastrous. The talks are going to be very tough with the Community, which has big problems of its own, and they are going to be very tough with France in particular. Joining the Community no matter what the price is not worth it. We have to join the Community with long enough lead times, with enough years before full-fledged membership so that our industry can adapt. We must not try to join too fast in the industrial sector because we will find that our industries are unable to compete and that we will be giving away markets to the EEC, and in contrast negotiate long lead times for agriculture.

[Question] Are there any links between the employers association that is close to the PNV and the employers group that is close to the CEOE [Spanish Confederation of Business Organizations]?

[Answer] There were clear-cut attempts to control the employers association and more or less make it do what a certain political party wanted. I always opposed that approach because I think that business must be independent, even though I have been told that at times I too have played politics with the employers association because I took conservative stands. But an employers association that does not back conservative policies is inconceivable here and in any other country. There was a proposal to have the Basque employers association back the ideology of the Nationalist Party, and the party made major exceptions to somehow get its men in there.

8743

CSO: 3548/48

POSSIBLE PUBLIC SALE OF SPECIFIED BANK STOCK

Istanbul CUMHURIYET in Turkish 14 Nov 84 p 9

[Text] Ankara--It has been learned that work is under way to sell shares of state-owned banks to the public within the framework of the decision to sell the stock of state-owned corporations to the public.

Responding to questions by the Ankara News Agency on the issue, Prime Minister Turgut Ozal said:

"It is possible. Why not? When we talk about transferable public banks, naturally we do not mean the principal ones such as the Agricultural Bank and the Housing Credit Bank. These would be rather secondary banks, such as the Anatolia Bank and parts of certain public corporations which perform banking functions. Of course, the Endowments Bank, which has special status, will also be excluded from this sale."

In response to a question about the prospects of merging the small banking operations of certain public corporations with the State Investment Bank, Prime Minister Ozal said: "I have never thought about it."

It was also disclosed that work in connection with Turkish Airways, which is going to be the first public corporation to go on sale, will take more time than expected. Speaking about the issue, Prime Minister Ozal said: "The sale of Turkish Airways shares will go into effect in 1985." Stating that the exact date the sale will begin cannot be determined at this time, Ozal said: "The issue is still under study. Of course, the first one is always the most difficult. Once we begin the rest will follow smoothly."

Meanwhile, it was also learned that while putting shares of public corporations on sale the government will keep a certain portion in its possession. While the government is inclined to keep less than 51 percent of the shares, no one has been willing to give definite figures on this issue.

It has also been disclosed that in order to alleviate contradictions that the proposed sale of stock may cause in the status of public corporations as published in the Official Gazette, the necessary changes will be made in the provisions of the pertinent laws during the discussion of the issue in the National Assembly.

WHOLESALE PRICE HIKES EXCEED TWO-PERCENT LIMIT

Istanbul CUMHURİYET in Turkish 14 Nov 84 p 9

[Text] The government, which had pinned its hopes to curb inflation on the last quarter of the year, has lost the first round. The government was hoping to limit the rate of price hikes to 2 percent a month and thus to reduce the inflation rate to 25 percent by the end of 1984, but price increases in October have overshadowed this goal. It is believed that the said limit will be exceeded in the remaining 2 months of the year as well.

Almost all price indexes for October have been published. The indexes show that price increases have accelerated compared to the corresponding month of last year and that they are more than 2 percent. Figures compiled by the Undersecretariat of the Treasury and Foreign Trade indicate that wholesale prices rose by 2.5 percent in October, the same as in October 1983, while the State Statistics Institute index shows that they rose by 3.3 percent. It is thus seen that the 2-percent limit has been exceeded in wholesale prices.

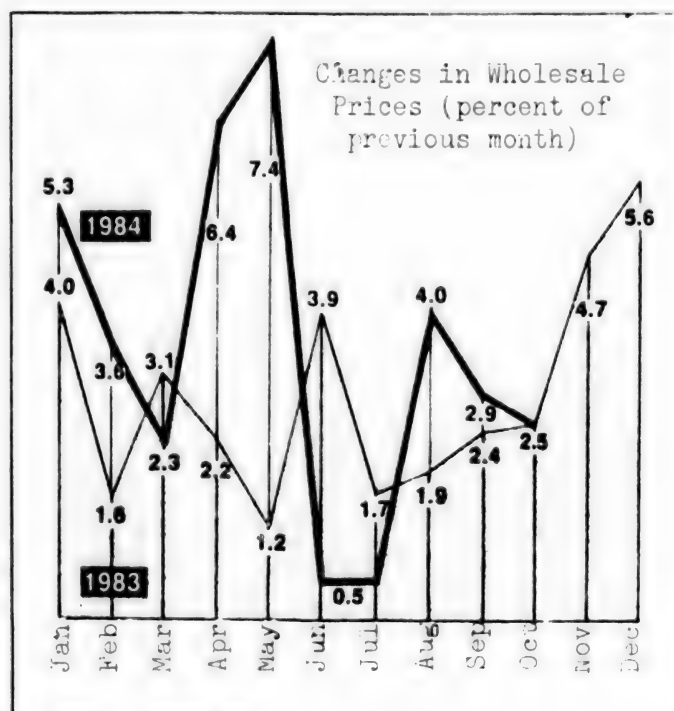
A similar trend is observed in retail prices which have been breaking the back of the consumers. Retail price increases in October are generally higher than those in wholesale prices.

Except for figures compiled by the Istanbul Chamber of Commerce--which show a rise of 2 percent in retail prices--all indexes indicate that retail prices rose by 3 to 4.5 percent in October. Nevertheless, the rate of consumer price hikes has slowed down compared to the October of last year. As is known, prices began "gathering momentum" in the last quarter of 1983.

The government is "hopeful" about the last two months of this year in view of the fact that prices rose very rapidly in last two months of last year. It is this hope that is largely reflected in statements by government officials to the effect that "price increases will slow down in the last quarter." For example, according to the price index of the Undersecretariat of the Treasury and Foreign Trade, wholesale prices rose by as much as 4.7 percent in November 1983 and 5.6 percent in December 1983. Prices are not expected to rise as much in the corresponding months of this year.

It is nevertheless believed that it will be very hard to limit average price hikes to 2 percent in the last 2 months of the year. In addition to the upward

pressure exerted by the money supply--which is currently at the trillion-lira level--the prospective enactment of the Value Added Tax Law in the coming months is expected to have an adverse effect on prices. The general impression in the market is that preparations for the Value Added Tax will lead to "psychological" price hikes in December. There is a prevailing concern that if such a development cannot be prevented price increases will exceed even last year's levels.



Source: Wholesale Goods Price Index of the Undersecretariat of the Treasury and Foreign Trade

9588
CSO: 3554/45

STATOIL WANTS TO TAKE OVER STATFJORD FIELD

Oslo ARBEIDERBLADET in Norwegian 24 Oct 84 p 6

[Article by Asgaut Naess, Labor Press: "'Statoil Must Take Over'"]

[Text] Stavanger: "Next year Statfjord will provide 90 percent of Statoil's income. For this reason it is not very satisfactory that Statoil's economic backbone is based on an oil field of which another company is the operator," said Karl Sigurd Årland of the Norwegian Oil and Petrochemical Federation (NOPEF) after the meeting between Statoil employees and Prime Minister Kåre Willoch on Tuesday.

Årland believes it will be an advantage both for Statoil and Mobil employees if Statoil gets to take over the responsibility of operator. "A takeover will also strengthen the trades. We will get a larger, more varied and exciting job market. In Statoil employees have real influence, since the company follows ordinary Norwegian rules of the game," Årland believes.

"A takeover of the operator's responsibility will also contribute to breaking down the division between sea and land," Årland claimed, and pointed out the fact that such a division is strange for a seafaring nation like Norway.

Årland reported that there has been a meeting with the Statfjord workers association, at which Statoil offered anyone who wishes, to begin in the State oil company with a possible takeover. The Mobil employees ashore have also received such an offer, it was said.

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LABOR PARTY PAPER DEFENDS STATOIL TAKEOVER OF STATFJORD

Oslo ARBEIDERBLADET in Norwegian 25 Oct 84 p 4

[Editorial: "Statoil Must Take Over"]

[Text] In spite of the fact that there is a clear majority in the Storting which wants Statoil to take over the operator's responsibility in the Statfjord field after Mobil, the government continues to delay the matter. Oil and Energy Minister Kåre Kristiansen does not have the ability to cut through. There is reason to assume that it is particularly Prime Minister Kåre Willoch and certain other Conservative cabinet ministers who want to keep Statoil on the rack in this way. New opportunities to maintain Mobil as operator are continuously sought after. In our opinion this is an operation which does not serve Norwegian national interests.

When Prime Minister Kåre Willoch earlier this week visited Statoil in Stavanger, he got to learn clearly what the employees think about the matter. They are tired of the way the government is treating the employees and Statoil's leadership. Right from the first day after the change in government in 1981, the Willoch government has conducted a kind of punishment exercise against the State oil company.

As far as the Statfjord field is concerned, it was part of the rights terms when Mobil got the responsibility of operator in 1973 that Statoil would have the option to take over 10 years after the field had become productive. This is a quite normal rights stipulation, and both for Statoil and most others it has almost been a matter of course that the relinquishment should also take place in practice. Gro Harlem Brundtland's government in fact took the necessary measures in the fall of 1981. To the great surprise of many, the Willoch government had hardly had time to properly move into the government buildings before the resolution was withdrawn. Later we were witnesses to repeated delays, excuses, etc., etc. The latest is a report from the Oil Directorate which is now being used to put a monkey wrench in the works. Although this report is critical of Statoil's competence, we do not see any reason to attach decisive significance to it. It has been asserted from several quarters that there is no consistency between the report's contents and the conclusions which are drawn.

Oil means money--lots of money. The money is earned not just by sales alone. For oil companies it is also decisive to be able to build up competence,

develop experts and secure their own research. It is precisely such things which give the operator at a field like Statfjord big advantages. After all, it is a question of the biggest oil and gas field on the Norwegian continental shelf. The field will by itself gain enormous influence on the Norwegian economy in the years to come, and thereby also be an important factor in the development of Norwegian society. It is incomprehensible for us all not to see that this should grant maximum Norwegian control and supervision. It is most incomprehensible if there is not a sufficient breakthrough for such a viewpoint in the Norwegian government.

It is no more than natural that Mobil is fighting for its own. Some of the means, including announcing in advance a lacking will to cooperate in a necessary transition period, we think are unacceptable. It is also not necessary for the government to accept them. If Mobil does not want to follow the conditions which have been the basis since 1973, the government ought to tell the company that it also does not have any future with respect to Norwegian oil and gas resources.

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ECONOMIST CLAIMS STATOIL PRICE CUT WAS MISTAKE

Oslo ARBEIDERBLADET in Norwegian 24 Oct 84 p 6

[Article by Ivar Hippe: "'Statoil Panicked'"]

[Text] "It seems as though Statoil panicked and for this reason acted too quickly when they cut oil prices. To an outsider it seems that Statoil's course of action was unfortunate." It is Oil Economics Docent Øystein Noreng at the Business Economics Institute who delivers this powerful salvo against Statoil. He characterizes Statoil's price cut as unsolidary and reminds us that Norway has been dependent on OPEC's work for the stabilization of oil prices.

Øystein Noreng, who has written several books on the oil business and is regarded as a "friend of Statoil," expresses to ARBEIDERBLADET critical views of Statoil's course of action in the price cut:

"It seems as though Statoil panicked and acted too quickly. If Statoil's decision regarding the price discount had been followed up by the OPEC countries, the State company would soon be in exactly the same situation as before the price cut," he says.

Not the Size

The decisive thing for Noreng is not the size of the price cut; its form is just as important.

"In reality, Statoil did not carry out any big price cut. The important thing is that they did not maintain the illusion that Statoil is still maintaining the nominal contract price, such as the British oil company, for example, managed to do. To an outsider it is difficult to understand that Statoil could not have done as its British colleagues, who introduced discounts but at the same time maintained the illusion of an unchanged contract price," he says.

Noreng also has a critical attitude toward whether Statoil notified the Norwegian authorities to a satisfactory extent regarding such an important decision:

"To an outsider Statoil's course of action seems unfortunate," he says, but recalls at the same time that the State in Norway did not have responsibility for the pricing and sale of petroleum products. Noreng says that this arrangement was introduced in order to protect the State from political pressure.

"However, abroad Statoil is regarded as the extended arm of the State. In other countries companies have to consult the State before important price decisions. This is presumably also the case in Great Britain. When, then, the Norwegian State oil company sets a price which results in shakeups in the petroleum and other raw materials markets at the stock exchange and results in a drop in the rate of exchange for the pound, then this act is perceived as a foreign policy decision," he says, and adds that serious inquiries have come from abroad as to whether this was Norway's revenge against Great Britain's no to the Sleipner gas.

[Question] What consequences should the latest events have?

[Answer] "It is an open question whether Statoil was conscious of the international consequences. If this is taken into consideration, I think Statoil should have consulted the government."

"The events of recent weeks show that the oil policy is too important to be entrusted just to the companies--also when it is a question of a State company. On the other hand, it would be problematic if the government were to be directly involved in the regulation of prices. This would open the door to far greater political pressure. At the same time, the division of State oil involvement into a Statoil part and a State part entails the fact that the government becomes more directly involved both in oil production and the market," he says, and reminds us of the fact that Norwegian companies, regardless, must have greater participation in the distribution and marketing of their petroleum products abroad.

"Other oil-producing countries are involved to a greater extent in distribution abroad. Norway must follow suit; if not, it can become costly to sell our petroleum products."

[Question] Do you think there is now danger of price anarchy in the market?

[Answer] "Norway more than any other country needs stable high oil prices. Norway is a small high-cost producer of oil, which has very much to lose by anarchy in the market. It is a question whether Norway ought not to contribute to stabilization of the market through better control of production. Our financial situation makes it so that we together with Kuwait have big opportunities to contribute to such a direction."

"Norway has historically reaped great advantages from OPEC's ability to raise oil prices. We will also be dependent on this in the future. It is poorly solidary of Norway, as one of the richest oil-producing countries, not to contribute to stabilizing the market," Øystein Noreng says, who points out that the recent events should be thought provoking for all political camps:

"For the socialists with their faith in State business involvement in oil, it must be thought provoking that the State company has perhaps made a blunder. For the non-socialists it must be thought provoking that there probably is a need for more direct State control."

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PRIME MINISTER DEFENDS RECENT OIL PRICE CUT

Oslo ARBEIDERBLADET in Norwegian 24 Oct 84 p 6

[Article by Asgaut Naess, Labor Press: "'Statoil Must Follow Price Course'"]

[Text] Stavanger: "Statoil's price reduction for oil was totally in accordance with the guidelines. Statoil must have an opportunity to follow price developments; we cannot risk the company's sitting with its products unsold." It was Prime Minister Kåre Willoch who said this at a press conference on Tuesday after he visited Statoil's headquarters at Forus near Stavanger.

"Unfortunately, the price cut was perceived in several places as though Norway had taken over as the price leader in the oil market. We talked over the price policy today, and it is not desirable to be the price leader as far as Norway is concerned. Therefore, it is important in future price changes to put much effort into avoiding misunderstandings," Willoch said.

To the question of whether it could become a question of the government's complying with any desire from OPEC to reduce oil production, the prime minister answered that Norway has no authority to order the companies to reduce production. "Norway has no plans to change its relations with the outside world in oil policy matters," the prime minister emphasized.

Regarding the Sleipner talks, Willoch would not say anything other than that the process is still going on and that he hopes that the agreement will be approved by the British. "When an agreement is entered into between Statoil and the British National Oil Company (BNOC), it should be able to be expected that the agreement would be approved by the British authorities. I am disappointed that the talks have been drawn out in this way," Prime Minister Willoch said.

During the meeting with Statoil employees' representatives, the prime minister was able to promise that the government would continue to give Statoil interesting assignments and opportunities in the oil business. "We will continue to conduct an oil policy which derives full benefit from Statoil's resources and expertise, and by bringing in new assignments and opportunities, contribute to the company's being able to develop these further," Willoch said, and continued, "After the approved reorganization of Statoil, the government is also disposed in principle to follow up Statoil's desire to take part in exploration and production operations abroad."

IMPACT OF OPEC PRODUCTION CUTS FOR NORWEGIAN OIL WEIGHED

Oslo AFTENPOSTEN in Norwegian 3 Nov 84 p 5

[Article by Bjørn H. Tretvoll: "Facing Exciting Winter in Oil Market: Norway Gains When OPEC Cuts"]

[Text] While the member countries of the Organization for Petroleum Exporting Countries (OPEC) decided to make production cuts which just over the course of November and December will reduce the 13 countries' combined export revenues by over 20 billion kroner, the Norwegian mass media are reporting new production records at the Statfjord field and still several hundred million kroner of extra oil revenues for Norway in 1984. And if the OPEC countries succeed in pushing prices up again, Norway in 1985, too, will receive several billion kroner more than what the present prices would bring.

The burdens the OPEC countries are taking upon themselves in the form of reduced production and lower export revenues are thereby producing quite direct positive results for Norway. At the same time, the current market situation demonstrates how dependent Norwegian oil revenues are on the measures which OPEC puts into action, and on whether these measures are successful.

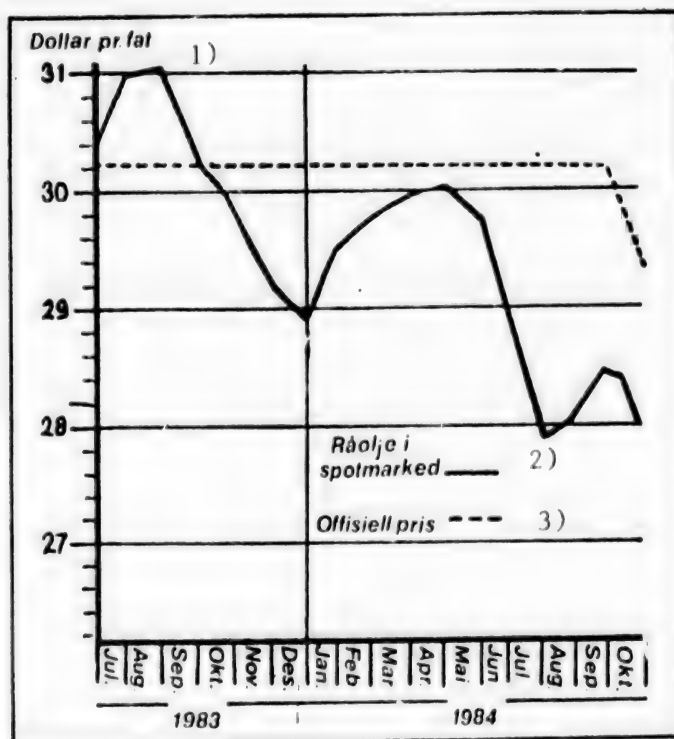
The uncertainty is still great regarding whether the latest cut, which has the purpose of bringing OPEC's combined production down to 16 million barrels, will produce the result OPEC wants. All demand forecasts show that the demand for OPEC oil in the coming winter months will be considerably higher than the new production ceiling, probably 2.5 to 3 million barrels higher per day.

Although some of this gap will be covered by drawing on the Western World's oil reserves, the difference between supply and demand can rapidly push prices on the so-called spot market up. The first market reactions to the OPEC resolution are a slight price increase.

The decisive uncertainty factor in this calculation, however, is whether the OPEC countries this time will observe the quotas which have been set. Earlier, many of the many countries overstepped the quotas and thereby contributed to the oil surplus which pushed spot prices down. With a demand which is clearly higher than the production ceiling, the temptation will be great for many OPEC countries to procure a little extra export revenue by producing somewhat

more than the quotas permit. If there are many who give into this temptation, it will have a negative effect on the course of prices.

The sceptics point out, in fact, that already before the last cut the OPEC countries' production was somewhat below the old production ceiling of 17.5 million barrels. Spot prices were low all the same. The real production cut will therefore be less than 1.5 million barrels. If in addition there is a mild winter which makes demand lower than assumed, it can turn out that the reduction will not be sufficient to bring spot prices up to the same level as the official prices.



The curves show how prices on the so-called spot market for light types of oil from the North Sea have for most of the year been clearly lower than the official quotations. After Statoil's price cuts became known, spot prices dropped sharply, but have since climbed somewhat up again. (Source: PETROLEUM INTELLIGENCE WEEKLY).

Key:

1. Dollars per barrel
2. Crude oil on spot market
3. Official price

The price differences between light and heavy types of oil represent another problem for OPEC. The official differences which are now in effect are not adapted to the prices which are appearing on the spot market. If it really is possible to create a shortage situation in the oil market, this will not play

so great a role. But if this shortage fails to materialize, it can become difficult to fit the market's demand for various types of oil into the production quotas set.

But regardless of whether OPEC's strategy is successful in the next two to three months, the member countries and all other oil producers already by the spring can again come to a situation with heavy pressure on prices. Demand normally diminishes when winter is over. If reserves then continue to be considerable and OPEC's production is again up to 17.5 million barrels, it can once again prove to be difficult for OPEC to maintain its reference price of \$29 per barrel. There will then be a danger of new price cuts because it will be very difficult for OPEC to keep its production as low as 16 million barrels for the longer term.

Many of the OPEC countries are already in big economic difficulties and doubtlessly have a more acute need for increased oil revenues than Norway does. In this light it is not surprising that the OPEC countries are criticizing Norway and other producers outside of the organization for being "non-paying passengers" on a train for which OPEC alone is providing the pulling power, so to speak.

Regardless of what explanations one has here at home for the price cuts which Statoil made, these are perceived within OPEC and in oil circles, for that matter, as the factor which alleviated the latest crisis in the international oil market. There are few who deny that other oil producers, too, both within and outside of OPEC, have given various types of discounts for a rather long time, but all the same it is Statoil which again holds the position in the international oil world as the company which gave the market the extra push which resulted in prices dropping. There are actually not so many outside of OPEC who are criticizing what Statoil did, but there is an almost unanimous opinion that the company did not handle the matter very wisely.

The latest development in the oil market in which international attention has been focused on Norway's oil prices has, besides, clearly demonstrated that oil questions have become a central part of Norway's foreign policy, whether Norwegian authorities like it or not.

It is not sufficient just to assert that the government and a totally state-owned company have nothing to do with one another. Although this division is clear here at home, it is an endless task before the rest of the world, and especially the OPEC countries, whose situations are completely different in this area, is gotten to accept the fact that it is not the government which decides oil prices.

Although many certainly understand why Statoil in a pressured situation acted as the company did, there are many who are questioning the strategy which was followed, if it has put the company into a corner so that Statoil will be one of the weakest links in the chain when pressure is applied by customers. The market side of Norwegian oil operations has hitherto been paid little attention to, but the latest development has clearly demonstrated the need for a thorough discussion of strategy in this area.

The OPEC countries also have some problems in understanding that the Norwegian authorities do not have any formal ability to regulate the quantity which is produced. Since Norwegian oil is among the most expensive to produce, it is claimed that Norway, more than most other oil countries, should have an interest in avoiding a price drop for oil. The country for this reason ought not to get itself into the situation that its actions contribute to bringing forth such a reduction. In this connection, possibly, lower production for shorter periods would have a certain effect, although the amounts which would be held back from the market, absolutely speaking, would be small, many within OPEC believe, who point toward the production cuts which Egypt and Mexico, which are not members of the organization, have now announced.

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BRIEFS

STRONG POWER CONSUMPTION INCREASE--Power consumption in Norway increased by 7.7 percent in the first nine months of the year. This is explained first and foremost by the full utilization of capacities in power-intensive industries, Coordination Director Rolf Wiedswang of the Electric Power Station Coordination General Assembly reported on Tuesday. Stores are now at the medium level. If Scandinavia's entire power system is utilized to the maximum, the demand for energy can be covered in 1990 even in an extreme year with a long dry period in the spring or summer. But the cost will be much higher. In such a situation Norway will have to import over 5 billion kroner worth of power. Possibilities for importing will diminish after 1990 and prices will increase. Therefore, it is necessary to ensure a greater supply of power in Norway after this time, Director Wiedswang said. [Text] [Oslo AFTENPOSTEN in Norwegian 24 Oct 84 p 44] 8985

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